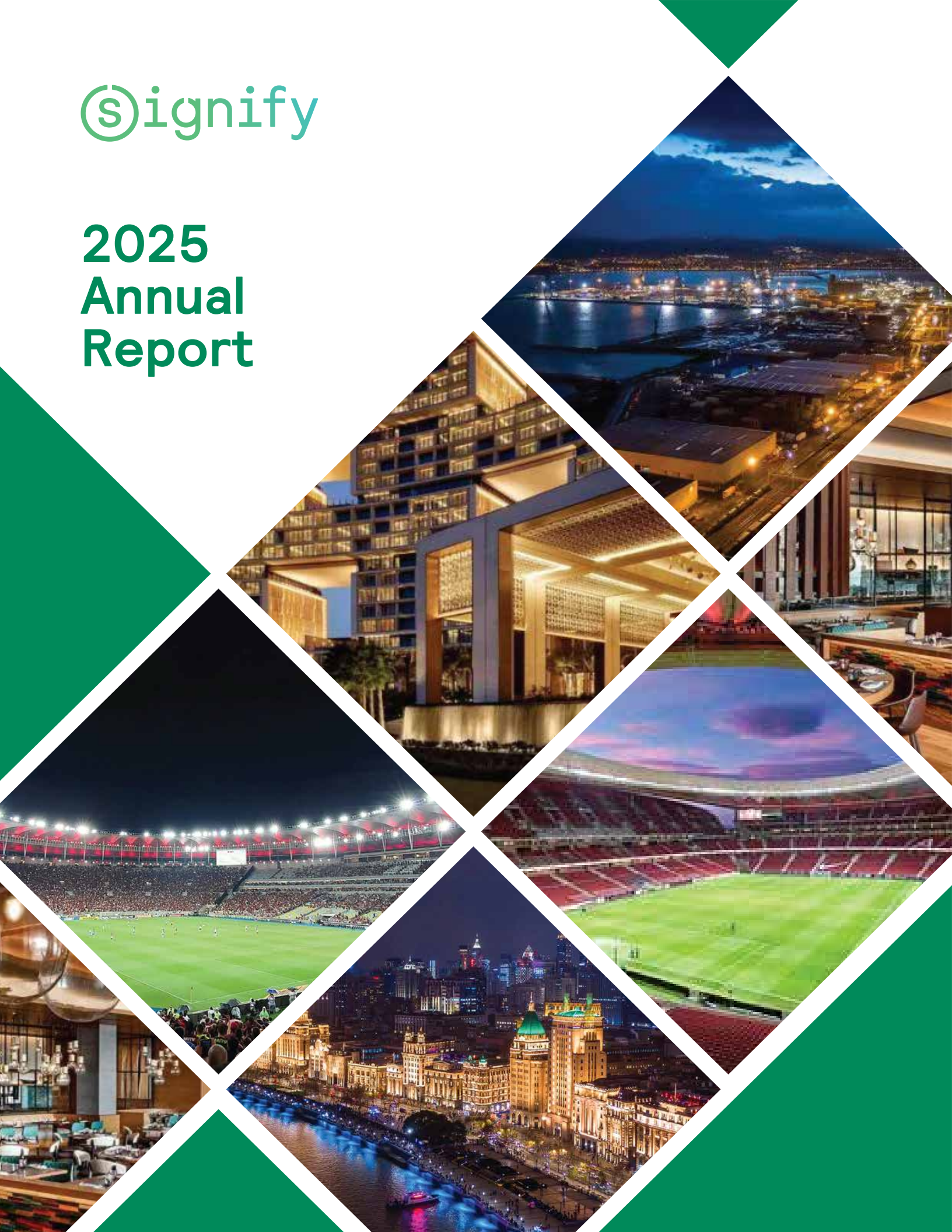


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# 2025 Annual Report





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# Our purpose is to unlock the extraordinary potential of light for brighter lives and a better world

Signify is the world leader in lighting. We provide our customers with high-quality, energy-efficient lighting products, systems and services.

By turning light sources into data collection points, we can connect more devices, places and people through light, contributing to a safer, more productive and smarter world.



## Always act with integrity

# Company Information

## Board of Directors

**Gregory Lefebvre**  
CEO & Commercial Channel Leader – Professional

**Taimoor Arshad**  
Commercial Leader (Trade) & Marketing Manager

**Syed Wajahat Ali**  
CFO, Company Secretary & Compliance Officer

**Company Secretary**  
Syed Wajahat Ali

## Senior Management Team

**Gregory Lefebvre**  
CEO & Commercial Channel Leader – Professional  
Signify Pakistan Limited

**Taimoor Arshad**  
Commercial Leader (Trade) & Marketing Manager

**Syed Wajahat Ali**  
CFO, Company Secretary & Compliance Officer

**Auditors**  
EY Ford Rhodes  
Chartered Accountants

**Banks**  
Standard Chartered Bank (Pakistan) Limited  
Deutsche Bank AG  
MCB Bank Limited  
Dubai Islamic Bank Pakistan Limited

**Legal Advisor**  
Abrar Hasan & Company

**Registered Office**  
The Hive at Lucky One Mall  
Lower Ground 46, Main Rashid Minhas Road,  
Federa B Area Block 21 Gulberg Town, Karachi.

# Directors' Report



# Directors' Report

The Directors of Signify Pakistan Limited have pleasure in presenting a review of the financial results of the Company for the year ended December 31, 2025.

## Economic Review

Pakistan's economy in 2025 showed gradual stabilization, with GDP reaching approximately \$410 billion and growth recorded at around 2.7%–3.0%, compared to 2.5% in 2024. Inflation declined significantly to about 4.5%–5.6%, down from double-digit levels in the previous year. The fiscal deficit remained near 2.6% of GDP, while a current account surplus of around \$1.9 billion was achieved during the year. Per capita income improved to roughly \$1,700–\$1,800, reflecting modest recovery in economic activity. Overall, the economy demonstrated resilience with improving macroeconomic indicators despite ongoing structural and external challenges.

## Industry Review

The Pakistan lighting industry in 2025 showed moderate growth, primarily driven by the rapid transition from conventional lighting to LED technology and increasing demand for energy-efficient solutions. Government initiatives promoting energy conservation, along with rising urbanization and infrastructure development, supported market expansion across residential, commercial, and industrial segments. However, the industry faced challenges such as declining imports, inconsistent product quality, and price sensitivity among consumers. The growing adoption of smart lighting and solar-integrated systems also reflected alignment with broader energy trends in Pakistan. Overall, the sector remained competitive with positive long-term prospects despite short-term economic and trade constraints.

## Change of Business Model:

In the year 2025, in line with changes in business strategy, the company shifted its business model whereby its distributors are importing goods directly from Signify International B.V. – DDA Branch, based in Dubai, a Related Party of Signify Pakistan Limited. Hence, the company had already stopped purchasing local assembled goods from its sole vendor during the year 2024 and had also stopped toll manufacturing of goods in the year 2024. Accordingly, during the year 2025, the Company closed its third-party warehouse on 31 March 2025. With effect from 1 January 2025, the local staff of Signify Pakistan is providing marketing services to Signify International B.V. – DDA Branch as per service level agreement.

## Financial Performance

The following is the comparative summary of our financial performance for the year 2025:

### Key Financial Highlights:

Particulars	2025	2024	Increase / (decrease) Percentage
Sales (PKR million)	267	1,064	(75%)
Gross Profit (PKR million)	243	377	(36%)
GP Percentage to Sales	91%	35%	56%
EBIT (PKR million)	348	410	(15%)
Profit before tax (PKR million)	345	401	(14%)
Profit after tax (PKR million)	330	281	17%

During the year under review, the company's top line decreased by 75% with total value of PKR 267 million as against sales of PKR 1,064 million achieved in the corresponding year, which was mainly due to change of business model to marketing services, hence, there was only residual sales under local for local in the first quarter of the year and under new business model the company provided marketing services valuing to PKR 222 million during the year to Signify International B.V. – DDA Branch, based in Dubai, a Related Party of Signify Pakistan Limited.

Despite decrease in top line by 75%, gross profit during the year was 91%, it was mainly due to structural changes in business model as detailed above, hence, there was significant reduction in cost of sales i.e. there was just consumption of opening stock, reversal of obsolescence and warranty provisions and there was significant contribution to top line by marketing services to Signify International B.V. – DDA Branch, by PKR 222 million.

As regards EBIT, it was PKR 348 million, mainly due to reversal of expected credit losses by PKR 51 million, interest income on saving account by PKR 149 million, write back of liabilities no more payable by PKR 91 million including write back of intercompany accounts by PKR 24 million and reversal of consequential exchanges loss of PKR 19 million.

## Dividend

In view of good net profit for the year, the Directors are pleased to recommend a cash dividend @Rs. 1.899964 per ordinary share of the company.

## Holding company

The name of holding company is Signify Holding BV and it is based in the Netherlands.

## Contribution to National Exchequer

Being a responsible taxpayer of the country, the company's contribution to the National Exchequer/Federal Board of Revenue during the year was PKR 102 million (2024: PKR 458 million) on account of direct and indirect taxes.

## Board of Directors

The following are the names of directors of the company as on December 31, 2025:

1. Mr. Gregory Lefebvre
2. Mr. Syed Wajahat Ali
3. Mr. Taimoor Arshad

Mr. Gregory Lefebvre is the CEO of the company.

## PATTERN OF SHAREHOLDING

### PART-I

1.1 Name of the Company

SIGNIFY PAKISTAN LIMITED

### PART-II

2.1. Pattern of holding of the shares held by the shareholders as at

3 1 1 2 2 0 2 5

2.2. No of shareholders	Shareholdings	Total shares held
248	shareholding from 1 to 100 shares	6,081
103	shareholding from 101 to 500 shares	21,093
14	shareholding from 501 to 1000 shares	8,936
11	shareholding from 1001 to 5000	19,947
1	shareholding from 5001 to 173,705,085	173,705,085
	<i>(Add appropriate slabs of shareholdings)</i>	
<b>377</b>	<b>Total</b>	<b>173,761,142</b>

2.3 Categories of shareholders	share held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children.	----	-----
2.3.2 Associated Companies, undertakings, and related parties.	173,705,085	99.9677%
2.3.3 NIT and ICP	----	-----
2.3.4 Banks Development Financial Institutions, Non-Banking Financial Institutions.	-----	-----
2.3.5 Insurance Companies	-----	-----
2.3.6 Modarabas and Mutual Funds	-----	-----
2.3.7 Shareholders holding 10%	-----	-----
2.3.8 General Public		
a. Local	54,723	0.0315%
b. Foreign	-----	-----
2.3.9 Others (to be specified) - Joint Companies	1,334	0.0008%

## Compliance Statement

The directors confirm compliance with corporate and Financial Reporting Framework of the SECP code of governance for the following.

- i) The financial statements, prepared by the management of the company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of accounts of the company have been maintained.
- iii) Appropriate Accounting policies have been consistently applied in preparation of the financial statements.
- iv) International Accounting Standards as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from have been adequately disclosed.
- v) The system of internal control is sound in design and has been effectively implemented and monitored.
- vi) There are no significant doubts upon the company's ability to continue as a going concern.
- vii) There is no material departure from the best practices.

## Auditors

The Auditors, EY Ford Rhodes, Chartered Accountants will retire at the end of the Annual General Meeting of the company and A.F. Ferguson & Co. being eligible, have offered themselves for re-appointment for the year 2026. The Board has recommended their appointment as the Auditors for the ensuing year, subject to the approval of the members at the forthcoming Annual General Meeting.

## Registered Office

The registered office of the company is located at The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21, Gulberg Town, Karachi.

## Acknowledgment

The Board would like to convey its earnest gratitude to all the people engaged with Signify Pakistan for enabling it to flourish and deliver a consistent performance over the years. Our people are entrusted with the welfare of the Company and have shown their potential by overcoming challenges posed by the operating environment and their resilience in these tough times. We treasure their dedication and feel highly obliged.

We acknowledge the valuable business support of our loyal customers, suppliers, channel partners, bankers and all other stakeholders who have shown continuous trust in our company for the past decades.

On behalf of the Board of Directors,

**Gregory Lefebvre**  
Director & CEO

**Syed Wajahat Ali**  
Director & CFO

**March 31, 2026**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the members of Signify Pakistan Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of Signify Pakistan Limited (the Company), which comprise of the statement of financial position as at 31 December 2025, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2025 and of the profit, its comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

### Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is **Shaikh Ahmed Salman**.

## Chartered Accountants

**Date: April 03, 2026**

**Place: Karachi**

**UDIN Number: AR202510076avdmOHSET**

**Signify Pakistan Limited**  
**Statement of Financial Position**  
*As at 31 December 2025*

	Note	2025 (Rupees in '000)	2024
<b>Non-current assets</b>			
Property and equipment	5	596	3,802
Right-of-use assets	6	26,771	12,024
Long term deposits		6,037	6,244
Staff retirement benefits	7	-	9,079
Total non-current assets		<b>33,404</b>	31,149
<b>Current assets</b>			
Stock-in-trade	8	-	34,099
Trade debts	9	272,308	63,113
Advances	10	9,648	8,849
Trade deposits and short-term prepayments	11	129	84
Other receivables	12	41,097	38,154
Taxation - net	13	144,709	100,760
Cash and bank balances	14	1,385,329	1,747,529
Total current assets		1,853,220	1,992,588
Total assets		<b>1,886,624</b>	<b>2,023,737</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

\_\_\_\_\_  
**Director & CEO**

\_\_\_\_\_  
**Director**

**Signify Pakistan Limited**  
**Statement of Financial Position**  
*As at 31 December 2025*

	2025	2024
Note	(Rupees in '000)	
Share capital and reserves		
Authorized capital 180,000,000 (2024: 180,000,000) ordinary shares of Rs. 10 each	<u>1,800,000</u>	<u>1,800,000</u>
Issued, subscribed and paid-up capital	15 <b>1,737,611</b>	1,737,611
Reserves	16 <b>(337,702)</b>	(389,697)
Total equity	<b>1,399,909</b>	1,347,914
Non-current liabilities		
Staff retirement benefits	7 <b>26,140</b>	-
Lease liabilities	17 <b>10,858</b>	-
	<b>36,998</b>	-
Current liabilities		
Trade and other payables	18 <b>353,465</b>	625,162
Contract liabilities - advance from customers	<b>76,862</b>	21,856
Provisions	19 <b>2,200</b>	12,668
Current portion of lease liabilities	17 <b>15,950</b>	14,939
Short-term running finances	20 <b>-</b>	-
Unclaimed / unpaid dividend	<b>1,240</b>	1,198
	<b>449,717</b>	675,823
Contingencies and commitments	21	
Total equity and liabilities	<u><b>1,886,624</b></u>	<u>2,023,737</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

\_\_\_\_\_  
**Director & CEO**

\_\_\_\_\_  
**Director**

**Signify Pakistan Limited**  
**Statement of Profit or Loss**  
*For the year ended 31 December 2025*

	Note	2025 (Rupees in '000)	2024
Turnover - net	22	266,652	1,064,182
Cost of sales	23	(24,115)	(686,866)
<b>Gross profit</b>		<b>242,537</b>	<b>377,316</b>
Administrative and distribution expenses	24	(196,279)	(239,107)
Restructuring expenses	25	-	(10,608)
Reversal / (allowance) for expected credit losses	26	50,639	(98,032)
Other income	27	263,871	395,458
Finance costs	28	(2,242)	(8,563)
Other operating expenses	29	(13,184)	(15,298)
Profit before taxation		<b>345,342</b>	401,166
Minimum tax differential	30	(2,556)	(79,223)
<b>Profit before taxation</b>		<b>342,786</b>	<b>321,943</b>
Income taxation	30	(12,646)	(40,836)
<b>Profit for the year</b>		<b>330,140</b>	<b>281,107</b>

The annexed notes 1 to 42 form an integral part of these financial statements.

\_\_\_\_\_  
**Director & CEO**

\_\_\_\_\_  
**Director**

**Signify Pakistan Limited**  
**Statement of Comprehensive Income**  
*For the year ended 31 December 2025*

	2025	2024
	(Rupees in '000)	
<b>Profit for the year</b>	<b>330,140</b>	281,107
<b>Other comprehensive income</b>		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Remeasurement gains on staff retirement benefits	<b>2,962</b>	2,438
<b>Total comprehensive income for the year</b>	<b>333,102</b>	283,545

The annexed notes 1 to 42 form an integral part of these financial statements.

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Director & CEO

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Director

# Signify Pakistan Limited Statement of Changes in Equity

For the year ended 31 December 2025

	Issued, subscribed and paid-up capital	Capital reserve	Revenue reserves			Total reserves	Total equity
		Share premium	General reserves	Accumulated losses	Total		
(Rupees in '000)							
Balance as on 01 January 2024	1,737,611	12,419	47,289	(256,636)	(209,347)	(196,928)	1,540,683
Final dividend @ Rs. 2.74/- per ordinary share for the year ended 31 December 2023	-	-	-	(476,314)	(476,314)	(476,314)	(476,314)
Profit for the year	-	-	-	281,107	281,107	281,107	281,107
Other comprehensive income	-	-	-	2,438	2,438	2,438	2,438
Total comprehensive income for the year	-	-	-	283,545	283,545	283,545	283,545
Transactions with owners, recorded directly in equity							
Share based payment transactions (contribution from Ultimate Parent Company)	-	-	-	2,837	2,837	2,837	2,837
Share based payment transactions (reversal of contribution from Ultimate Parent Company)	-	-	-	(2,837)	(2,837)	(2,837)	(2,837)
	-	-	-	-	-	-	-
Balance as on 31 December 2024	<u>1,737,611</u>	<u>12,419</u>	<u>47,289</u>	<u>(449,405)</u>	<u>(402,116)</u>	<u>(389,697)</u>	<u>1,347,914</u>
Final dividend @ Rs. 1.62/- per ordinary share for the year ended 31 December 2024	-	-	-	(281,107)	(281,107)	(281,107)	(281,107)
Profit for the year	-	-	-	330,140	330,140	330,140	330,140
Other comprehensive income	-	-	-	2,962	2,962	2,962	2,962
Total comprehensive income for the year	-	-	-	333,102	333,102	333,102	333,102
Balance as on 31 December 2025	<u>1,737,611</u>	<u>12,419</u>	<u>47,289</u>	<u>(397,410)</u>	<u>(350,121)</u>	<u>(337,702)</u>	<u>1,399,909</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

\_\_\_\_\_  
Director & CEO

\_\_\_\_\_  
Director

**Signify Pakistan Limited**  
**Statement of Cash Flows**  
*For the year ended 31 December 2025*

	Note	2025 (Rupees in '000)	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	32	(187,758)	(248,345)
Staff retirement benefits received / (paid)		37,061	(58,568)
Long term deposits - net		207	450
Finance costs paid		(2,242)	(8,563)
Taxes paid		(59,151)	(235,981)
Net cash used from operating activities		<u>(211,883)</u>	<u>(551,007)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of operating fixed assets		-	10,340
Interest income on saving accounts	27	149,108	335,824
Net cash generated from investing activities		149,108	346,164
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(281,107)	(476,314)
Payment of principal portion of lease liabilities		(18,318)	(15,730)
Net cash used in financing activities		<u>(299,425)</u>	<u>(492,044)</u>
Net decrease in cash and cash equivalents		<u>(362,200)</u>	<u>(696,887)</u>
Cash and cash equivalents at beginning of the year	31	1,747,529	2,444,416
Cash and cash equivalents at end of the year	31	<u>1,385,329</u>	<u>1,747,529</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

\_\_\_\_\_  
**Director & CEO**

\_\_\_\_\_  
**Director**

# Signify Pakistan Limited

## Notes to the Financial Statements

For the year ended 31 December 2025

### 1 LEGAL STATUS AND ACTIVITIES

**1.1** Signify Pakistan Limited (“the Company”) was incorporated in 1954 in Pakistan under the Companies Act, 1913 (now Companies Act, 2017) as a public limited company. Due to global change of name in year 2018, on 25 January 2019, the Company has also changed its name from 'Philips Pakistan Limited' to 'Signify Pakistan Limited'. The new name is not incommensurate with the principle line of business of the Company but it reaffirms the powerful purpose of the Company to unlock the extraordinary potential of light for brighter lives and a better world. The Company is principally engaged in trading of electrical goods and will continue to use 'Philips brand', being the most trusted lighting brand in the world.

During the year 2024, in line with changes in business strategy, the Company started shifting its business model whereby its distributors are importing goods directly from Signify International B.V. – DDA Branch, based in Dubai, a Related Party of Signify Pakistan Limited. Hence, the Company restricted purchasing local assembled goods from its sole vendor till December 2024 and had already stopped toll manufacturing of goods during the year 2024. During the period, the Company closed its third-party warehouse on 31 March 2025. With effect from 1 January 2025, the local staff of Signify Pakistan is providing marketing services to Signify International B.V. – DDA Branch as per service level agreement.

**1.2** The Company was a subsidiary of Koninklijke Philips N.V. (Royal Philips), who had announced in September 2014 to separate Lighting and Health Tech/Consumer Lifestyle businesses into two standalone market-leading legal entities. The separation occurred on 01 February 2016 and following this global change, the shares of the Company owned by Royal Philips have been transferred to a Philips Lighting Holding B.V. (PLH) [subsequently changed to Signify Holding B.V. (SH)]. Consequently, effective from 01 February 2016, SH becomes the Parent Company of Signify Pakistan Limited. SH is incorporated and organized under the laws of the Netherlands, having its registered office in Eindhoven, the Netherlands, with address at High Tech Campus 48, 5656 AE Eindhoven, the Netherlands. The Ultimate Parent of the Company is Signify N.V., having its registered office in Eindhoven, the Netherlands, with address at High Tech Campus 48, 5656 AE Eindhoven, the Netherlands.

**1.3** The geographical locations and address of Company's business units are as under:

Location	Address
Registered office, Karachi	The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21, Gulberg Town, Karachi.

**1.4** With effect from 1 January 2025, the Company has shifted from distributor based model to a service based model. The Company has incurred a net profit of Rs. 330.140 million (2024: 281.107 million) and has an accumulated losses of Rs. 391.643 million (2024: Rs. 449.405 million). Current assets exceed current liabilities by Rs. 1,409 million (2024: Rs.1,317 million). The Company has a positive balance of cash and cash equivalents amounting Rs. 1,385 million (2024: Rs. 1,748 million). The management of the Company has continued to adopt the going concern basis in preparing these financial statements based on the following:

- a) a service level agreement has been entered with Signify International B.V. – DDA Branch (related party) for the marketing services effective from 1 January 2025 against compensation of the cost of the organization (COO) plus 5% markup; and
- b) the Company has adequate liquidity such as sufficient cash and cash equivalents and un-availed credit facilities from existing credit line from various commercial banks.

Therefore, the management has reasonable expectation that the Company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the management of the Company has prepared these these financial statements on going concern basis.

## 2 STATEMENT OF COMPLIANCE

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Act;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS or IFAS, the provisions of and directives issued under the Act have been followed.

## 3 BASIS OF PREPARATION

### 3.1 Accounting convention

These financial statements have been prepared under the historical cost convention except for staff retirement benefit obligations, which have been measured at the present value.

### 3.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees which is the Company's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest thousand, unless otherwise stated.

### 3.3 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements in conformity with the approved accounting standards, as applicable in Pakistan, requires management to make judgements and estimates that affect the application of policies and the reported amount of assets, liabilities, income, expenses and accompanying disclosures.

The judgements and estimates are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Revisions to accounting estimates are accounted for prospectively.

#### a) Property and equipment

The Company reviews appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. In making these estimates, Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property and equipment, with corresponding effects on the depreciation charge.

#### b) Stock-in-trade

The Company reviews the net realisable value of stock-in-trade to assess any diminution in the respective carrying values. Net realisable value is estimated with reference to the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

#### c) Allowance for expected credit losses of trade debts and other receivables

The Company recognises an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

#### d) Provision for tax

The provision for taxation is accounted for by the Company after taking into account the relevant laws and decisions taken by appellate authorities. Instances, where the Company's view differs from the view taken by the tax authorities at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities / assets.

#### e) Staff retirement benefits

The Company has adopted certain actuarial assumptions as disclosed in note 7 to these financial statements for valuation of present value of defined benefit obligations and fair value of plan assets, based on actuarial advice.

#### f) Provision for warranty

The Company accounts for its warranty obligations when the underlying products are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

### 3.4 New standards, amendments, improvements to approved accounting standards and the framework for financial reporting

#### 3.4.1 Adoption of amendments to approved accounting standards effective during the year

##### IAS 1 Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by a right to defer settlement and that a right to defer settlement must exist at the end of the reporting period. The amendments further clarify that classification is unaffected by the likelihood that an entity will exercise its deferral right and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. Also it has been clarified that an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's financial statements.

##### IAS 7 and IFRS 7 Disclosures: Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 and IFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Company's financial statements.

##### IFRS 16 Lease Liability in a Sale and Leaseback - Amendments to IFRS 16

The amendments to IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's financial statements.

##### IAS 12 International tax reform — Pillar Two model rules (amendments)

The amendments to IAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 01, 2023, but not for any interim periods ending on or before December 31, 2023.

The amendments had no impact on the Company's financial statements.

IAS 12 Application Guidance issued by Institute of Chartered Accountants of Pakistan

On May 15, 2024, the Institute of Chartered Accountants of Pakistan (ICAP) issued a circular titled 'IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes.' Pursuant to the release of the circular, the Company has changed the presentation for minimum taxes and final taxes.

The change has been applied retrospectively, however, has not affected any component of equity for the prior period presented in these financial statements.

### 3.4.2 Standards, amendments and improvements to approved accounting standards that are not yet effective

The following standards, amendments and improvements to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards, amendments or improvements:

Standards and Amendments	Effective date (annual periods beginning on or after)
IAS 21 Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21	January 01, 2025
IFRS 17 Insurance Contracts	January 01, 2026
IFRS 7 / IFRS 9 Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7	January 01, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 01, 2026
IFRS 7 / IFRS 9 Contracts Referencing Nature-dependent Electricity - Amendments to IFRS 9 and IFRS 7	January 01, 2026
IFRS 18 IFRS 18 - Presentation and Disclosure in Financial Statements	January 01, 2027
IFRS 19 IFRS 19 - Subsidiaries without Public Accountability: Disclosures	January 01, 2027
IFRS 10 / IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalised

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	IASB effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	July 01, 2009

The Company expects that above standards, annual improvements and amendments to the approved accounting standards (other than IFRS 18) will not have any material impact on the Company's financial statements in the period of initial application. The Company is currently working to identify all impacts that IFRS 18 will have on the primary financial statements and notes to the financial statements.

## 4 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies adopted by the Company in the preparation of these financial statements are as follows:

### 4.1 Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (if any).

Operating fixed assets are depreciated on a straight-line basis at the rates given in note 5.1 to these financial statements. Depreciation on additions is charged from the month in which the asset is available for use and on disposals up to the month of disposal.

Maintenance and repairs are charged to statement of profit or loss, as and when incurred.

Gains or losses on disposal of operating fixed assets are taken to the statement of profit or loss in the period in which they arise.

### 4.2 Right-of-use assets and lease liabilities

#### i) Right-of-use assets

The Company recognises a right-of-use asset at the commencement date of the lease. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

#### ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments at the lease commencement date, the Company uses its Incremental Borrowing Rate (IBR) since the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease.

### 4.3 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value less provision for impairment, if any. The cost is based on first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The cost of work-in-process and manufactured goods includes direct material, wages and applicable manufacturing overheads. Items in transit are stated at invoice price plus other charges incurred thereon up to the reporting date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. The management reviews the net realizable value of stock-in-trade to assess any diminution in the respective carrying values.

Provision for impairment is made against the cost of items which are likely to become obsolete. The evaluation is based on comparison of historical and forecasted sales.

#### 4.4 Impairment of non-financial assets

The carrying amounts of non-financial assets (other than stock-in-trade) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then an asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit or loss account for the amount by which the asset's carrying amount exceeds its recoverable amount.

#### 4.5 Impairment of financial assets

For trade debts, the Company applies a simplified approach, where applicable, in calculating the ECL. Therefore, the Company does not track changes in credit risk and instead recognises a loss allowance based on lifetime ECL at each reporting date. The Company has established a provision matrix for large portfolio of customers having similar characteristics and default rates based on the credit rating of customers from whom receivables are due that is based on the Company's historical credit loss experience, adjusted for forward-looking factors (i.e., gross domestic product and consumer price index) specific to the debtors and the economic environment. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For other financial assets, the Company recognises allowance for ECL to the extent it is unlikely to receive the contractual amounts in full, based on various factors including Company's past experience and economic environment.

The Company considers a financial asset to be at a risk of default when contractual payments are 120 days past due, unless there are factors that might indicate otherwise. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 4.6 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank balances net of bank overdraft and investments with maturities of less than three months or less from acquisition date that are subject to insignificant risk of changes in fair value. Short-term borrowings availed by the Company, which are payable on demand and form an integral part of the Company's cash management, are included as part of cash and cash equivalents for the purpose of statement of cash flows.

#### 4.7 Taxation

Income tax expenses comprise of current and deferred tax. Income tax expense is recognized in the statement of profit or loss, except to the extent that it relates to items recognized directly in other comprehensive income in which case it is recognized in statement of comprehensive income.

##### Current

Provision for current taxation is computed on taxable income at the current rates of taxation, after taking into account tax credits and rebates available, if any, in accordance with the provision of the Income Tax Ordinance, 2001. It also includes any adjustment to tax payable in respect of prior years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

## 4.8 Employee benefits

### 4.8.1 Defined benefit plan - Funded gratuity scheme

The Company operates an approved funded gratuity scheme for all its permanent employees which provides for a graduated scale of benefits dependent on the length of service of the employee on termination date, subject to a minimum qualifying period for entitlement of three years continuous service with the Company. Under the gratuity scheme, gratuity is payable on retirement, resignation or death and are dealt with in accordance with the Trust Deeds and Rules as follows:

<b>Years of service:</b>	<b>Entitlement of gratuity:</b>
In case of resignation or retirement:	
Less than five years	Nil
Five years to less than seven and a half years	75% of basic salary for each completed year of service
Seven and a half years and above	100% of basic salary for each completed year of service
In case of death:	
Less than one year	Nil
One year to less than fifteen years	Fifteen months' basic salary
Fifteen years and above	One month's basic salary for each completed year of service

Contributions are to be made on the basis of actuarial valuation carried out at every year end using the Projected Unit Credit Method. Remeasurements which comprise of actuarial gains and losses and the return on plan assets (excluding interest) are recognized immediately in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The past service costs are recognised at the earlier of when the amendment or curtailment occurs and when the Company has recognised related restructuring or terminations.

The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and current service cost are recognized in statement of profit or loss.

### 4.8.2 Compensated absences

The Company accounts for liability of employees' compensated absences in the period in which they are earned on the basis of unavailed leave balance of each employee subject to a limit of 28 days leaves at year end that can be carry forward maximum for one year as per the Company's policy.

## 4.9 Provisions

### Warranty

A provision for warranty is recognized when the underlying products are sold. The provision is based on historical sales data and a weighting of possible outcomes against their associated probabilities in respect of warranty.

Others

Provisions are considered where the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

## 4.10 Revenue recognition

### 4.10.1 Revenue from contract with customers

#### a) Sale of goods and services

Revenue from the sale of goods and services is recognized at the point in time when the performance obligation is satisfied, i.e. when the customer obtains control over the goods at the time of delivery and its acceptance. The transaction price excludes amounts collected on behalf of third parties, such as sales taxes. The transaction price may be variable due to discounts, rebates or similar arrangements. Revenue is only recognized for the part of the consideration for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Judgment is required in determining the probability and level of discounts and rebates that will be granted. The estimate is updated throughout the term of the contract.

For products for which a right to return exists during a defined period, revenue is recognized by considering the historical pattern of actual returns. Return policies are typically based on customary return arrangements in local markets. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the goods and services to be rendered before transferring them to the customer.

Contract modifications which may be a change in the scope or price (or both) are included in contract revenue to the extent that they have been agreed with the customer and create enforceable rights and obligations.

During the year, the Company entered into a service level agreement with Signify International B.V. – DDA Branch, a related party, for the provision of marketing services. The agreement became effective on 1 January 2025. Under the terms of the arrangement, the Company is compensated based on the cost of the organization (COO) plus a 5% markup.

Revenue arising from these services is recognized in the period in which the related invoices are issued, consistent with the Company's revenue recognition policy.

#### b) Contract balances

##### Contract assets

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs by transferring goods to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. The contract assets are transferred to trade debts when the rights become unconditional.

#### Trade debts

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

#### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods to the customer).

### 4.10.2 Other income

Other income is recorded on accrual basis and interest income is accounted for using the effective interest rate (EIR) method.

### 4.11 Share-based compensation

The Ultimate Parent Company operates share-based compensation plans which are accounted for as equity settled share based payment transactions, regardless of intragroup repayment arrangements. The cost of equity-settled transactions is determined by the fair value at the grant date using an appropriate valuation model.

During the year, the Ultimate Parent Company did not grant any share-based compensation awards to its employees or management.

### 4.12 Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the reporting date. Exchange differences, if any, are taken to statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

### 4.13 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period, in which these are approved. However, if these are approved after the reporting period but before the financial statements are authorised for issue, they are disclosed in the notes to the financial statements.



	COST			ACCUMULATED DEPRECIATION			NET BOOK VALUE		Annual rate of depreciation %
	As at 01 January 2024	Additions / (deletions)	As at 31 December 2024	As at 01 January 2024	Depreciation charge for the year	On deletions	As at 31 December 2024	As at 31 December 2024	
	(Rupees in '000)								
Office hut	571	(571)	-	571	-	(571)	-	-	10
Factory equipment	686	-	686	686	-	-	686	-	20
Office equipment	25,608	(2,313)	23,295	17,581	4,036	(2,124)	19,493	3,802	10-50
Vehicles	108	-	108	80	28	-	108	-	14-25
2024	26,973	(2,884)	24,089	18,918	4,064	(2,695)	20,287	3,802	

**5.1.1 Items having an aggregate cost of Rs. 16.3 million (2024: Rs. 9.209 million) at the end of the year have been fully depreciated and are still in use of the Company.**

**5.1.2 Depreciation for the year has been charged to administrative and distribution expenses (note 24).**

**5.1.3 In the current and previous year, there were no disposals of operating fixed assets, with an aggregate book value exceeding amount of Rs.5 million.**

	Note	2025 (Rupees in '000)	2024
<b>6 RIGHT-OF-USE ASSETS</b>			
<b>6.1 Net carrying value basis</b>			
Opening balance		12,024	28,943
Additions during the year		30,187	-
Modifications during the year		-	1,392
Depreciation charged during the year	6.3	(15,440)	(18,311)
Closing Balance		<u>26,771</u>	<u>12,024</u>
<b>6.2 Gross carrying value basis</b>			
Cost		30,187	35,391
Accumulated depreciation		<u>(3,416)</u>	<u>(23,367)</u>
Net book value		<u>26,771</u>	<u>12,024</u>
Depreciation % per annum		<u>25% - 50%</u>	<u>26% - 46%</u>
<b>6.3 Depreciation for the year has been charged to administrative and distribution expenses (note 24).</b>			
<b>6.4 Right of use of asset is in respect of office premises.</b>			

## 7 STAFF RETIREMENT BENEFITS

### 7.1 Gratuity fund

The latest actuarial valuation for gratuity fund maintained by the Company for its permanent employees was carried out by the actuary as of 31 December 2025 using Projected Unit Credit Method and the principal assumptions used are as follows:

Significant actuarial assumptions	2025	2024
Financial assumptions		
Discount rate	11.00%	12.25%
Salary increase rate - first year	5.00%	11.25%
Salary increase rate	5.00%	11.25%
Demographic assumptions		
Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1
Rates of employee turnover	Heavy	Heavy

	Note	2025 (Rupees in '000)	2024
<b>7.1.1 The amounts recognized in statement of financial position are as follows:</b>			
Present value of defined benefit obligation	7.1.3	29,582	30,338
Fair value of plan assets	7.1.4	<u>(3,442)</u>	<u>(39,417)</u>
Liability recognized in statement of financial position		<u>26,140</u>	<u>(9,079)</u>

	Note	2025 (Rupees in '000)	2024
<b>7.1.2 Movement in the net defined benefit liability:</b>			
Opening balance		(9,079)	41,637
Charge for the year	7.1.5	1,120	10,290
Actual benefit paid by the Company during the year		(1,551)	(58,568)
Actual refund by the Fund		56,136	-
Remeasurement gains	7.1.6	(2,962)	(2,438)
Contribution during the year		(17,524)	-
Closing balance		26,140	(9,079)
<b>7.1.3 Movement in the present value of defined benefit obligations:</b>			
Opening balance		30,338	74,407
Charge for the year		6,000	15,544
Benefits paid / payable		(1,551)	(58,568)
Remeasurement gains		(5,205)	(1,045)
Closing balance		29,582	30,338
<b>7.1.4 Movement in the fair value of plan assets are as follows:</b>			
Opening balance		39,417	32,770
Expected return on plan assets		4,880	5,254
Actual contribution by the company		17,524	-
Actual refund by the Fund		(56,136)	-
Losses / remeasurement gains		(2,243)	1,393
Closing balance		3,442	39,417
<b>7.1.5 Amounts recognised in the statement of profit or loss</b>			
Current service cost		2,270	3,888
Interest cost		3,730	11,656
Expected return on plan assets		(4,880)	(5,254)
		1,120	10,290
<b>7.1.6 Following amounts of remeasurements have been charged in other comprehensive income in respect of these benefits</b>			
Remeasurement gains on obligation			
gains due to change in financial assumptions		(2,527)	714
gains due to change in demographic assumptions		-	(235)
gains due to change in experience adjustments		(2,678)	(1,524)
Total remeasurement gains on obligation		(5,205)	(1,045)
Remeasurement gains on plan assets			
gains on plan assets		2,243	(1,393)
Total remeasurement gains during the year		(2,962)	(2,438)
Total defined benefit cost recognized in statement of profit or loss and other comprehensive income		(1,842)	7,852

2025                      2024  
(Rupees in '000)

### 7.1.7 Analysis of present value of defined benefit obligation

Vested / non - vested	28,138	28,844
Vested benefits	1,444	1,494
Non-vested benefits	<u>29,582</u>	<u>30,338</u>
Type of benefits earned to date	17,253	15,388
Accumulated benefit obligation	12,329	14,950
Amount attributed to future salary increases	<u>29,582</u>	<u>30,338</u>

### 7.1.8 Composition of fair value of plan assets

	2025		2024	
	Fair value (Rupees)	%	Fair value (Rupees)	%
Term deposits receipts	-	0%	-	0%
Cash at banks	3,442	100%	39,417	100%
Fair value of plan net assets	<u>3,442</u>	<u>100%</u>	<u>39,417</u>	<u>100%</u>

2026  
(Rupees in '000)

### 7.1.9 Expected contributions to funds in the following year

4,823

The components of expected contribution for the next year:

Current service cost	1,981
Interest expense on defined benefit obligation	3,246
Interest on plan assets	(404)
Net interest cost	<u>2,842</u>
	<u>4,823</u>

2025                      2024  
(Rupees in '000)

### 7.1.10 Maturity profile of the defined benefit obligation

Distribution of timing of benefit payments (time in years)		
1	2,126	2,045
2	1,877	1,989
3	2,114	2,206
4	12,052	12,691
5	2,408	2,561
6-10	41,090	27,264

	Note	2025 (Rupees in '000)	2024
<b>7.1.11 Sensitivity analysis on significant actuarial assumptions:</b>			
Discount rate + 50 basis points		28,640	29,376
Discount rate - 50 basis points		30,576	31,354
Salary increases + 50 basis points		30,382	31,394
Salary increases - 50 basis points		28,815	29,330
		(Number)	
Weighted average duration of the Projected Benefit Obligation		6.54	6.51

## 7.2 Provident fund - defined contribution plan

**7.2.1 Salaries, wages and benefits include Rs.Nil (2024: Rs.3.927 million) in respect of provident fund contribution.**

## 7.3 Pension fund - defined contribution plan

**7.3.1 Salaries, wages and benefits include Rs. Nil (2024: Rs.3.866 million) in respect of pension fund contribution.**

	Note	2025 (Rupees in '000)	2024
<b>8 STOCK-IN-TRADE</b>			
Raw material including material-in-transit		-	11
Material advanced to vendors - third party		-	-
		-	11
Finished goods including goods-in-transit	8.1	-	116,602
Finished goods held with vendors - third party		-	-
		-	116,602
Provision for obsolete stock-in-trade	8.2	-	(82,514)
		-	34,088
		-	34,099

**8.1 Stock-in-trade of Rs. Nil (2024: Rs.61.274 million) is measured at net realizable value and has been written down to Rs. Nil (2024: Rs.5.689 million).**

	2025 (Rupees in '000)	2024
<b>8.2 Provision for obsolete stock-in-trade</b>		
Opening balance	82,514	224,919
Reversal for the year	(82,514)	(142,405)
Closing balance	-	82,514

	Note	2025 (Rupees in '000)	2024
<b>9 TRADE DEBTS - unsecured</b>			
Considered good	9.1	272,308	63,113
Considered doubtful		367,262	417,901
		639,570	481,014
Less: Allowance for expected credit losses	9.2	367,262	417,901
		272,308	63,113

**9.1 Includes Rs. Nil (2024: Rs. 55.086 million) as maximum aggregate amount outstanding at any time during the year by reference to month end balances and receivables from Stitching Signify Foundation (related party).**

	Note	2025 (Rupees in '000)	2024
<b>9.1.1 The ageing of related party balance is as follows:</b>			
Neither past due nor impaired			
Stitching Signify Foundation		-	55,086

**9.2 Movement of allowance for expected credit losses on trade debts is as follows:**

Opening balance	417,901	319,869
Reversal for the year	(50,639)	98,032
Closing balance	367,262	417,901

**9.3 These are interest free and generally on a credit terms of 30 to 90 days.**

	2025 (Rupees in '000)	2024
<b>10 ADVANCES - unsecured, considered good</b>		
- Executives	799	-
- Shipping companies	1,589	1,589
- Custom authorities	7,260	7,260
	9,648	8,849

**11 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**

Trade deposits - unsecured, considered doubtful	11.1	25,649	25,649
Less: Allowance for expected credit losses		(25,649)	(25,649)
		-	-
Short-term prepayments		129	84
		129	84

	Note	2025 (Rupees in '000)	2024
<b>12 OTHER RECEIVABLES</b>			
Unsecured, considered good			
- Sales tax refundable	12.1 - 12.4	25,240	17,708
- Cash margins		3,626	3,545
- Receivable from providend fund		-	2,645
- Accrued markup		11,191	14,214
- Others		1,040	43
		<u>41,097</u>	<u>38,155</u>
Unsecured, considered doubtful			
- Retention money		2,967	2,966
Less: Allowance for expected credit losses		(2,967)	(2,966)
		<u>41,097</u>	<u>38,155</u>

**12.1** In year 2018, Company received a show cause notice dated 27 February 2018 under Sales Tax Act, 1990 (the Act) on various matters for years 2013 to 2016 related to recovery of certain amounts. In response to said notice, the Company submitted partial replies explaining the contentions of the Company for said matters. However, the DCIR proceeded to pass an Order dated 20 August 2018 raising a tax demand aggregating to Rs. 2,806 million under relevant sections 11, 33 and 34 of the Act. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which was decided through the appellate order dated 12 October 2018 in the manner that certain matters aggregating to Rs. 223 million were deleted, other matters are remanded back aggregating to Rs. 1,840 million and the related default and penalty surcharge was deleted to the extent of relief allowed by the said order. The Company received a copy of appeal filed by the tax authorities to the Appellate Tribunal Inland Revenue (ATIR) against the order of CIR(A). The Company has also filed an appeal before the ATIR against the order of CIR(A) which is still pending for hearing before the ATIR.

**12.2** In year 2019, the tax officer issued a notice dated 05 November 2019 under the Punjab Sales Tax on Services Act, 2012 whereby it was alleged that the Company had not levied and paid Punjab Sales Tax on services rendered for years 2013 to 2016. In response to said notice, the Company submitted the necessary explanation and admitted a tax liability of Rs. 14.109 million, has made payment of Rs. 10 million to the tax authorities against the order and accordingly has made provision of Rs. 4.109 million. The proceedings were concluded by the ACIR by passing an order dated 29 April 2020 in which the ACIR had raised a tax demand of Rs. 174.187 million and had levied penalty at the rate of hundred percent of tax demanded i.e. Rs. 174.187 million. Being aggrieved, the Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] which marked the inquiry to the concerned ACIR and has required it to evaluate the submitted information after hearing the appeal. The ACIR considering the above instructions of CIR(A) evaluated the submitted information and highlighted certain observations which were rebutted by the Company, subsequent to which the ACIR issued an inquiry report dated 24 November 2020 and the case was fixed for hearing before the CIR(A) on 01 June 2021 and then was finally heard on 13 July 2021 through its order no. 118/2020.

Through the aforesaid appellate order, the tax demand to the extent of Rs. 55.265 million on account of non - Punjab goods and services, and penalty amounting to Rs. 174.186 million imposed under section 48(2) of Punjab Sales Tax on Services Act, 2012 had been deleted. Consequently, the aggregate demand which stood at Rs. 348.373 million was reduced by Rs. 229.451 million and was finally confirmed at Rs. 118.921 million.

Being aggrieved by the above appellate order, the Company proceeded to file the appeal before the Appellate Tribunal, Punjab Revenue Authority (PRA), Lahore. During the pendency of main appeal and stay application before the Tribunal, PRA, the Company approached Lahore High Court and obtained stay order whereby the stay had been granted till the hearing of the main appeal before the Tribunal, PRA. The said stay order became infructuous after the Tribunal, PRA, had subsequently granted stay. Tribunal, PRA had further granted stay. The appeal filed before the Appellate Tribunal Punjab Revenue Authority had been decided through its order dated September 4, 2024. Through the said order, the tax demand confirmed at Rs. 118,921,674. Being aggrieved by the said appellate order, the Company proceeded to file the appeal before Lahore High Court. The hearing of the main appeal is pending before Lahore High Court. Company received recovery notice from PRA on April 15, 2025 demanding payment against Tribunal order received against the company. However, company filed stay with Lahore High Court as main appeal before Lahore High Court is pending. Court granted stay subject to payment of 30% of the demand i.e. Rs. 118,921,674. Company intended to deposit the amount under protest.

- 12.3** The Company received show-cause notice under section 11(2) of Sales Tax Act, 1990 (STA) whereby the Deputy Commissioner Inland Revenue (DCIR) alleged non-withholding of sales tax amounting to Rs. 7.310 million from payments made to advertisement service providers. In this respect, the DCIR wrongfully assumed publicity expenses recognized in the return of income at Rs. 35.268 million (tax year 2020) and Rs. 10.419 million (tax year 2021) as payments made to advertisement service providers. Through the letter dated 18 October 2022, breakup and reconciliation of payments in respect of tax year 2020 were submitted while extension had been sought for submission of details in respect of tax year 2021. However, despite the said request for extension the DCIR, proceeded to pass the order dated 21 October 2022 without allowing any further opportunity to make the remaining compliance, raising aggregate demand of Rs. 7.675 million, including penalty of Rs. 0.365 million.

Being aggrieved by the above order, the Company filed an appeal with the Commissioner (Appeals). CIR vide its orders dated 22 February 2023 and 6 March 2023 passed orders and annulled the impugned demand of Rs. 7.3 million and directing the assessing officer to properly identify the nature of transaction after obtaining the details.

- 12.4** The Company received show-cause notices under section 11(2) of STA separately for the periods as below whereby the Deputy Commissioner Inland Revenue (DCIR) contended that the Company has not properly apportioned the input tax against exempt supplies resulting in claim of inadmissible input tax.

Periods	Input tax (Rupees. in '000)
July 2019 to June 2020	73,973
July 2020 to June 2021	51,134
July 2021 to May 2021	342

The Company responded to the show cause notices by recalculating the said non-apportionment which was Rs. Nil. However, DCIR rejected the response and maintained the above mentioned amounts. Being aggrieved by the above orders, the Company filed appeals with the Commissioner (Appeals). Further stay against recovery of demand was granted by the Commissioner (Appeals). The hearings were fixed in respect of the above proceedings by the Commissioner (Appeals) dated April 27, 2023 and orders were passed on May 22, 2023. Through the said orders, the Commissioner (Appeals) vide appellate orders No. STA/271/LTO/2023/08 (for the periods July 2019 to June 2020), order No. STA/273/LTO/2023/09 (for the periods July 2020 to June 2021) and order No. STA/273/LTO/2023/10 (for the periods July 2021 to May 2022) have deleted impugned demands along with default surcharge and penalty raised by the Deputy Commissioner through orders passed on February 22, 2023.

In respect of tax matters disclosed above, the Company based on the views of its tax advisor believes that sufficient grounds are available on the basis of which appeals have been preferred and they feel that there are reasonable arguments in support of grounds taken before the respective appellate authorities, accordingly, no provision has been made in these financial statements except as otherwise stated.

<b>13 TAXATION - net</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(Rupees in '000)</b>	
Opening balance		(100,760)	15,162
Provision for taxation	30	15,202	120,059
Tax paid / deducted at source		(59,151)	(235,981)
Closing balance		<u>(144,709)</u>	<u>(100,760)</u>
<b>14 CASH AND BANK BALANCES</b>			
Cheques in hand		-	17,225
Balance with banks:			
- in current accounts		13,435	58,162
- in saving accounts	14.1	1,371,895	1,672,143
		<u>1,385,330</u>	<u>1,730,305</u>
Less: Allowance for expected credit losses		1	1
		<u>1,385,329</u>	<u>1,747,529</u>

**14.1** It carries mark-up rate of ranging from 8.5% to 11% (2024: 11% to 20.5%) per annum.

<b>15 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(Rupees in '000)</b>	
Ordinary shares of Rs 10/- each			
169,391,009 shares fully paid in cash		1,693,910	1,693,910
4,368,033 shares issued as bonus shares		43,680	43,680
2,100 shares fully paid for consideration other than cash		21	21
	15.1	<u>1,737,611</u>	<u>1,737,611</u>

**15.1** As at 31 December 2025, 99.97% shares (2024: 99.97%) are held by Signify Holding B.V, the Parent Company.

**15.2** These are fully paid ordinary shares. Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

**15.3** Subsequent to the year end, the company submitted a petition to the High Court of Sindh, Karachi, on January 27, 2026, seeking approval to reduce its share capital from Rs. 1,737.611 million to Rs. 10 million. The reduction of the Company's share capital is intended to align its capital structure with its current operational and financial requirements. This adjustment is aimed at optimizing the Company's capital base to better reflect its business needs. This process will result in returning the excess cash to shareholders whose shares are being cancelled as part of the reduction. The petition is currently pending before the High Court of Sindh.

	2025	2024
	(Rupees in '000)	
<b>16 RESERVES</b>		
Capital reserve - share premium	12,419	12,419
Revenue reserve - general reserve	47,289	47,289
Revenue reserve - accumulated losses	<u>(397,410)</u>	<u>(449,405)</u>
	<u><b>(337,702)</b></u>	<u><b>(389,697)</b></u>

**17 LEASE LIABILITIES**

**17.1** The Company has lease contract for its office premises under rental agreement.

	2025	2024
	(Rupees in '000)	
Opening balance	14,939	29,277
Additions during the year	30,187	-
Modifications during the year	-	1,392
Interest expense on lease liabilities	1,963	5,232
Payments made during the year	<u>(20,281)</u>	<u>(20,962)</u>
Closing balance	<u><b>26,808</b></u>	<u><b>14,939</b></u>
Less: Current portion of lease liabilities	<b>15,950</b>	14,939
Long-term lease liabilities	<u><b>10,858</b></u>	<u><b>-</b></u>

	Note	2025	2024
		(Rupees in '000)	
The following are the amounts recognised in the statement of profit or loss:			
Depreciation expense of right-of-use assets	6.1	15,440	18,311
Interest expense on lease liabilities	28	<u>1,963</u>	<u>5,232</u>
Total amount recognised in statement of profit or loss		<u><b>17,403</b></u>	<u><b>23,543</b></u>

**18 TRADE AND OTHER PAYABLES**

Creditors	18.1	46,601	144,375
Advance received from SSF against CSR activity	18.4	10,284	10,284
Accrued liabilities	18.2	273,014	453,357
Pension fund payable		4,238	658
Provident fund payable		3,896	-
Workers' welfare fund	18.5	11,067	8,187
Withholding tax payable		<u>4,365</u>	<u>8,301</u>
		<u><b>353,465</b></u>	<u><b>625,162</b></u>

**18.1** Included herein Rs. 42.601 million (2024: Rs.91.201 million) due to the following group companies on account of purchases of goods, receiving services, etc.

Group companies:	Note	2025 (Rupees in '000)	2024
Signify Netherlands B.V.	18.1.1	42,601	65,792
Signify Canada Ltd.		-	10
Signify Egypt LLC		-	31
Signify Luminaires (Shanghai) Co., Ltd.		-	469
Signify Luminaires (Chengdu) Co.,Ltd.		-	2,158
Signify Hungary Kft.		-	3,043
PT. Signify Commercial Indonesia		-	164
Signify Poland Sp. Z.O.O.		-	16,037
Signify Singapore Pte. Ltd.		-	2,489
Signify Argentina S.A.		-	463
Signify Hong Kong Limited		-	61
Signify Maroc SARL		-	484
		<b>42,601</b>	<b>91,201</b>

**18.1.1** Includes an amount of Rs.39.918 million (2024: Rs.39.918 million) in respect of royalty payable in accordance with the Technical License agreement (TLA). The Company entered into Technical License Agreement (TLA) with Signify Netherlands B.V. ("Licensor") effective as of 1st January 2021 for localization of Phillips Brand. Accordingly, during the year 2025, the Company had charged royalty expense of Rs.Nil based on actual net sales of FY 2025 in these financial statements as per arrangement between the parties.

**18.2** The break-down of accrued liabilities is as follows:

	Note	2025 (Rupees in '000)	2024
Salaries and wages		14,991	14,039
Warranty provision	18.3	462	16,320
Distributors incentives		190,501	357,367
Marketing accruals		2,233	1,320
Freight accruals		-	1,479
Stamp duty accruals		-	500
Others		64,827	62,332
		<b>273,014</b>	<b>453,357</b>

**18.3** The movement of warranty provision is as follows:

Opening balance		16,320	86,029
Reversal made during the year		(15,350)	(28,236)
Replacement made during the year	18.3.1	(508)	(41,473)
Closing balance		462	16,320

**18.3.1** Replacement of warranty provision have been made to customers against inventory and cash amounting to Nil (2024: Rs. Nil) and Rs.0.508 million (2024: Rs. 41.473 million), respectively.

**18.4** Includes amount received from Stitching Signify Foundation on March 15, 2021 for CSR activities amounting to Rs. 24 million. Rs.14 million have been utilized in exercising CSR services till October 31, 2021, out of which Rs. 10 million is still remaining to be spent on CSR activities.

	2025 (Rupees in '000)	2024
<b>18.5</b> The movement of worker's welfare fund is as follows:		
Opening balance	8,187	15,600
Payment made during the year	(8,187)	(15,600)
Charge made during the year	11,067	8,187
Closing balance	11,067	8,187

**19 PROVISIONS**

19.1 Represents provisions against legal cases contested by the Company.

	2025	2024
	(Rupees in '000)	
19.2 The movement in provisions during the year are as follows:		
Opening balance	12,668	12,668
Reversal made during the year	(10,468)	-
Closing balance	<u>2,200</u>	<u>12,668</u>

**20 SHORT-TERM RUNNING FINANCES**

The Company has running finance facility from commercial bank of Rs.455 million (2024: Rs. 980 million) carrying mark-up rate of 13.09% to 13.17% per annum (2024: 22.39% per annum). These facilities had been of varying tenures and were secured by stand-by letter of credits aggregating to Rs.565 million. The unutilized amount of these facilities were Rs. 455 million in 2025.

**21 CONTINGENCIES AND COMMITMENTS****21.1 Contingencies**

21.1.1 The details of legal cases filed against the Company are as follows:

Court	Factual description	Date of institution	Party	Relief Sought
Hight Court of Sindh	Counter suit filed by Dreamworld of non-performance of contract terms	August 2001	Dreamworld	Recovery of Rs. 83.472 million (2024: Rs.83.472 million) on non performance of contract terms
Hight Court of Sindh	Case filed by ex-employee against the Company on dispute over the final settlement	September 2009	Fayaz Ahmed (Ex-Employee)	Recovery of Rs. 2.2 million (2024: Rs. 2.2 million) for recovery of final settlement

The Company based on the opinion of its legal counsel / advisors believes that either they have no exposure to the Company or would be decided in the Company's favour.

	2025	2024
	(Rupees in '000)	
21.1.2 Letter of guarantees issued by banks on behalf of the Company	<u>3,400</u>	<u>3,400</u>
21.1.3 Sales tax and income tax matters, are more fully explained in notes 11.1 to 11.4 and 30.5 to 30.14 to these financial statements.		

**21.2 Commitments**

	2025	2024
	(Rupees in '000)	
Letters of credit	-	48,708
Bank Contract	<u>20,035</u>	<u>24,136</u>

As of 31 December 2025, the Company has the facility limit for opening letters of credit and guarantees of Rs. 565 million (2024: Rs.1,200 million).

		2025	2024
	Note	(Rupees in '000)	
22 TURNOVER - net			
Turnover - gross		309,485	1,390,504
Trade discount		-	(104,587)
Sales tax		(42,833)	(221,735)
	22.1	<u>266,652</u>	<u>1,064,182</u>

**22.1** Included herein are toll manufacturing sales of Rs. Nil (2024: Rs. 20.099 million).

**22.2** Revenue recognised during the year that was included in the advance from customers balance at the beginning of year is Rs.1.8 million (2024: Rs. 0.196 million).

	Note	2025 (Rupees in '000)	2024
<b>22.3</b> Break up of turnover - net is as follows:			
Toll manufacturing sales		-	20,099
Sale of finished goods		44,362	1,044,083
Services - Signify International B.V.- DDA Branch	22.4	222,290	-
		<u>266,652</u>	<u>1,064,182</u>
<b>22.4</b> Services		222,290	-
Sales tax @15%		33,344	-
		<u>255,634</u>	<u>-</u>

	Note	2025 (Rupees in '000)	2024
<b>23 COST OF SALES</b>			
Opening finished goods		116,602	414,890
Purchase of goods		-	454,796
Cost of goods manufactured	23.1	-	36,366
		<u>116,602</u>	<u>906,052</u>
Closing finished goods	8	-	(116,602)
		<u>116,602</u>	<u>789,450</u>
Direct expenses:			
Warranty reversal	18.3	(15,350)	(28,236)
Royalty on localization of brand	23.2	-	27,366
Reversal of provision for obsolete stock-in-trade during the year - net	8.2	(82,514)	(142,405)
Outward freight		5,377	40,691
		<u>(92,487)</u>	<u>(102,584)</u>
		<u>24,115</u>	<u>686,866</u>

	Note	2025 (Rupees in '000)	2024
<b>23.1</b> Sales and cost of sales of goods manufactured related to vendors manufacturing are as follows:			
Sales		-	20,099
Opening material:			
Raw material	8	11	15,649
Material advanced to vendors	8	-	10,613
		<u>11</u>	<u>26,262</u>
Stock written off		(11)	-
Vendors value addition		-	10,115
		<u>(11)</u>	<u>10,115</u>
Closing material:			
Raw material	8	-	(11)
Material advanced to vendors	8	-	-
		<u>-</u>	<u>(11)</u>
Cost of goods manufactured		-	36,366
Gross profit		-	(16,267)

<b>23.2</b> Party Name	Registered Address	Relationship	2025	2024
Signify Netherlands B.V.	High Tech Campus 48, 5656AE EINDHOVEN, The Netherlands	Group Company	-	27,366

24 ADMINISTRATIVE AND DISTRIBUTION EXPENSES	Note	2025 (Rupees in '000)	2024
Salaries, wages and other benefits	24.1	77,506	110,236
General Service Unit Agreement ("GSUA")	24.2	19,519	19,688
Outsourcing expense		12,256	13,241
Publicity		14,708	7,320
Security		-	302
Depreciation on operating fixed assets	5.1	3,206	4,064
Depreciation on right-of-use assets	6.1	15,440	18,311
Repairs and maintenance		23	3,936
Rates and taxes		731	13,253
Travelling		16,708	24,422
Postage and stationary		138	599
Telephone and communication		71	1,041
Insurance		8,351	11,079
Auditors' remuneration	24.3	5,436	4,848
Legal and professional		19,292	5,045
Others		2,894	1,722
		<u>196,279</u>	<u>239,107</u>

**24.1** Salaries, wages and other benefits includes bonus to employees of Rs. 10.140 million (2024: Rs. 4.042 million) and incentive given to Chief Executive Officer amounting to Rs. Nil (2024: Rs. 2.837 million) by the Parent Company, which is recoverable from the Company.

**24.2** Represents expenses incurred for business support services from Signify Netherlands B.V. (a related party). The objective is to ensure the availability of optimal expertise and capabilities at the right cost level, while providing globally consistent services. In order to ensure continuity of the Company's business operations, the Company is interested to take advantage of and secure access to the aforementioned rights, know-how and experience and acknowledge the necessities of paying an appropriate consideration.

24.3 Auditors' remuneration	2025 (Rupees in '000)	2024
Audit fees - statutory	3,522	3,416
Fee for special certifications	1,511	697
Sindh sales tax	403	329
Out-of-pocket expenses	-	406
	<u>5,436</u>	<u>4,848</u>

## 25 RESTRUCTURING EXPENSE

In view of persistent unfavorable economic conditions in the country there was significant depletion of foreign exchange reserves which resulted in import restrictions in Pakistan causing significant sales reduction of Signify Pakistan Limited, hence, and unfortunately, massive restructuring in terms of employees was implemented, during the year 2023. On the same line, the Company relocated its offices to better and efficient spaces to generate savings for the operation. Due to termination of employees, the Company recognized restructuring expenses amounting to Rs. Nil (2024: Rs. 10.6 million) which included the severance payments that were required to be made to employees due to termination of their employment.

26 REVERSAL / (ALLOWANCE) FOR EXPECTED CREDIT LOSSES	Note	2025 (Rupees in '000)	2024
Reversal / (allowance) for the year on:			
- Trade debts	9.2	50,639	(98,032)
- Advances		-	-
- Trade deposits	11.1	-	-
- Other receivables	12.5	-	-
		<u>50,639</u>	<u>(98,032)</u>

	Note	2025 (Rupees in '000)	2024
<b>27 OTHER INCOME</b>			
Income from financial assets:			
Interest income on saving accounts		149,108	335,824
Exchange gain - net		19,004	-
Income from non-financial assets:			
Scrap sales		2,650	120
Gain on disposal of operating fixed assets		-	10,151
Liabilities no longer payable written off	27.1	90,632	49,026
Others		2,477	337
		<u>95,759</u>	<u>59,634</u>
		<u>263,871</u>	<u>395,458</u>

**27.1** Includes waiver of outstanding liabilities amounting to Rs. 15.346 (2024: Rs.23.717 million) by following companies (related parties) in respect of cross charges.

	Note	2025 (Rupees in '000)	2024
-Signify netherlands B.V.		10,909	-
-Signify Argentina S.A.		232	-
-Signify Canada Ltd.		8	-
-SIGNIFY LUMINAIRES (SHANGHAI) CO.L		64	-
-Signify Luminaires (Chengdu) Co.,Lt		1,195	-
-Signify Egypt LLC		22	-
-Signify Hungary Kft.		1,352	-
-Signify Hong Kong Limited		35	-
-PT. Signify Commercial Indonesia		78	-
-Signify Maroc SARL		246	-
-Signify Poland Sp. z o.o.		16	-
-Signify Singapore Pte. Ltd.		1,189	-
		<u>15,346</u>	<u>-</u>

## 28 FINANCE COSTS

Interest expense on lease liabilities	17.1	1,963	5,232
Markup on short-term running finances		16	808
Bank charges		263	2,523
		<u>2,242</u>	<u>8,563</u>

## 29 OTHER OPERATING EXPENSES

Exchange loss - net		-	7,111
Workers' welfare fund		11,067	8,187
Others		2,117	-
		<u>13,184</u>	<u>15,298</u>

**30 TAXATION**

Reconciliation between current tax under ITO, 2001 and its categorisation as 'Income Tax' under IAS 12 and 'levy' in terms of requirements of IFRIC 21/ IAS 37 is as follows:

	2025 (Rupees in '000)	2024
Current tax liability for the year as per applicable tax laws	<b>54,783</b>	159,372
Portion of current tax liability as per tax laws, representing income tax under IAS 12	<b>(52,227)</b>	(80,149)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37:		
- Minimum tax differential	-	(79,223)
- Final tax	<b>(2,556)</b>	-
	<b>(2,556)</b>	(79,223)
Difference	-	-

**30.1**

Current	30.4	<b>54,783</b>	159,372
Prior		<b>(39,581)</b>	(39,313)
Deferred	30.5	-	-
		<b>15,202</b>	120,059

**30.2** This represents minimum taxes and final taxes paid under sections 153 and 154A of Income Tax Ordinance, 2001, representing levies in terms of requirements of IFRIC 21 / IAS 37.

**30.3** The assessments of the Company for and upto tax year 2025 have been completed or deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.

**30.4** Includes an additional super tax charge of 1% (2024: 6%) for high earning persons as per the requirement of section 4C of of the Income Tax Ordinance 2001.

**30.5** Net unrecognised deferred tax asset amounts to Rs.106.784 million (2024: Rs. 140.85 million) on unused business losses.It includes unrecognized deferred tax liability amounting to Rs.16.062 million (2024: Rs. 12.175 milion ) and deferred tax asset amounting to Rs.122.846 million (2024: Rs. 128.675 million). The management believes that future taxable profits will not be sufficient to absorb these losses. Accordingly, deferred tax asset has not been recognised in these financial statements.

	2025 (Rupees in '000)	2024
<b>30.6</b> Accounting profit before tax	<b>345,342</b>	401,166
Tax @ 29% (2024: 29%)	<b>100,149</b>	116,338
Super tax under section 4C @1% (2024: 6%)	<b>1,826</b>	22,105
Prior year tax	<b>(39,581)</b>	(39,313)
Final Tax liability under section 154 A	<b>(10,730)</b>	-
Tax effect on reversal of accounting provisions	<b>(38,614)</b>	(6,127)
Others	<b>2,152</b>	27,056
	<b>15,202</b>	120,059
Effective tax rate	<b>4%</b>	30%

**30.7** In year 2012, the tax year 2010 was selected for audit by the tax authorities under Section 214C of the Ordinance. In the year 2016, the tax authorities concluded the audit for tax year 2010 and issued assessment order dated 22 June 2016 whereby raising a demand of Rs.36.766 million. The Company under protest requested the income tax department to adjust the demand out of refunds available for tax years 2008, 2009 and 2011. The said request was made without prejudice to the appeal filed by the Company before the Commissioner Inland Revenue (Appeals) CIR(A) which was heard on 05 September 2016 and later on 06 March 2018, and an order dated 04 April 2018 was passed whereby:

- (a) disallowance of trade discounts, provision for retirement benefits and stock write-off was deleted;
- (b) toll manufacturing charges was disallowed to the extent of tax short-deducted;
- (c) disallowance of restructuring provision remanded back for re-examination; and
- (d) disallowance of lease rental was confirmed.

The Company filed appeal on 04 July 2018 before the Appellate Tribunal Inland Revenue (ATIR) in respect of matters not decided in their favour. Similarly, the tax department also filed an appeal before the ATIR on matters that were either decided in favour of the Company or that had been remanded back by CIR(A). Currently, both the appeals are pending for hearing before the ATIR.

**30.8** In year 2016, the tax officer issued a notice under Section 176 of the Ordinance for monitoring of withholding taxes for tax year 2011. The said notice was replied and relevant information were provided. Consequently, a show cause notice was issued in February 2017 by the officer and thereafter an order was passed in March 2017 under Section 161/205 Ordinance in respect of non-deduction of withholding tax on discounts given to distributors/ customers through invoices under Section 156 of the Ordinance.

Further, additional trade discounts given to distributors / customers through credit notes, publicity expense and direct selling expenses were treated by Officer Inland Revenue (OIR) as "Prize" under Section 156 of the Ordinance and thus subjected to withholding of tax at the rate of 20%. Later, the OIR had created a demand of Rs. 20.792 million under Section 161 and Rs. 22.824 million under Section 205 of the Ordinance respectively. Being aggrieved, the Company filed appeal against the order of the OIR before CIR(A). The CIR(A) vide combined appellate orders dated 02 October 2017 (received on 01 March 2018) held in respect of invoice trade discount, the CIR(A) agreeing with our arguments held that the OIR's action was not sustainable and thus recovery of tax under Section 161 of the Ordinance on trade discount on invoices had been deleted. In respect of additional trade discounts given to distributors / customers through credit notes, publicity expense and direct selling expenses, CIR (A) confirmed action of OIR i.e. discounts and expenses incurred fall under the scope of Section 156 of the Ordinance as "prizes". Further, in respect of default surcharge CIR(A) held that since default in withholding of tax is confirmed therefore the levy of default surcharge to such extent was also confirmed. Later, the Company filled appeal on 25 April 2018 before ATIR against the order of learned CIR (A) which is currently pending for hearing.

**30.9** In year 2014, the tax year 2013 was selected for audit by the tax authorities, thereafter a show cause notice dated April 14, 2015 under section 122(9) was received by the Company in which the Deputy Commissioner Inland Revenue (DCIR) proposed to amend the return of income for the tax year 2013. Further, on 23 October 2018 the Company received an addendum to the above show cause notice. The said proceedings were then concluded by the tax department through an order dated 10 June 2019 passed under section 122(1) of the Ordinance by amending the assessment of the Company through disallowance of a number of expenses leading to a reduction in the refund claimed by the Company in the return of income for the above tax year to Rs. 9.763 million. Being aggrieved with the above order the Company has filed an appeal with the CIR(A) which is pending for hearing. The appeal filed before the CIR(A) was decided through appellate order dated 31 December 2021 wherein certain matters were deleted, certain remanded back and one was maintained. Being aggrieved with the above order, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on 18 March 2022 against the order of CIR(A) which is pending for hearing before the ATIR.

**30.10** In year 2016, the tax officer issued a notice under Section 176 of the Ordinance for monitoring of withholding taxes for tax year 2014. The said monitoring was kept in abeyance on Company's request due to multiple proceedings being conducted by the said office. However, during year 2019, said proceeding was reinitiated through a notice dated 21 June 2019. The said notice was replied and relevant information were provided. Consequently, an order was passed in June 26, 2019 under Section 161 and 205 of the Ordinance in respect of non-deduction of withholding tax on trade discounts given to distributors/customers by the Company amounting to Rs. 111.739 million. In the said order the OIR treated the above discounts as "prizes offered for promotion of sale by the companies" and levied tax at the rate of 20% under section 156 of the Ordinance. The OIR created a demand of Rs. 17.961 million under section 161 and Rs. 8.562 million under section 205 of the Ordinance respectively.

The Company under protest had deposited Rs. 17.961 million to obtain stay from the recovery of the above tax demand till the decision of the appellate forum of the CIR(A). Later, the Company received notices for liquidation of Rs. 8.562 million demand and therefore the Company has submitted to the tax authority that sufficient refunds are available from which the above tax demand can be adjusted. Further, appeal against the above order has also been filed with the CIR(A). The appeal filed before the CIR(A) was decided through appellate order dated 23 November 2021 whereby the order passed by the Taxation Officer has been upheld. The Company had deposited the principal amount under protest. Being aggrieved with the above order, the Company has filed an appeal before ATIR on 13 January 2022 against the order of CIR(A) which is still pending for hearing before the ATIR.

**30.11** In the year 2016, the tax officer issued a notice under Section 176 of the Ordinance for monitoring of withholding taxes for tax year 2015. The said notice was replied and relevant information were provided. However, during year 2019, said proceeding was reinitiated through a notice dated 21 June 2019. The said notice was replied and relevant information were provided. Consequently, an order was passed in 26 June 2019 under Sections 161 and 205 of the Ordinance for recovery of taxes not withheld on incentives/discounts given by the Company amounting to Rs. 119.830 million. In the said order the OIR treated the above incentives as "prizes offered for promotion of sale by companies" and levied tax at the rate of 20% under section 156 of the Ordinance. The OIR created a demand of Rs. 23.966 million under section 161 and Rs. 8.549 million under section 205 of the Ordinance respectively.

The Company under protest has deposited Rs. 23.966 million to obtain stay from the recovery of the above tax demand till the decision of the appellate forum of the CIR(A). Later, the Company received notices for liquidation of Rs. 8.549 million demand in response to which detailed response has been submitted and thereafter no further correspondence has been made in this regard. Further, appeal against the above order has also been filed with the CIR(A). The appeal filed before the CIR(A) was decided through appellate order dated 28 December 2021 whereby the order passed by the Taxation Officer has been upheld. The Company had deposited the principal amount under protest. Being aggrieved with the above order, The Company has filed an appeal before ATIR on 22 February 2022 against the order of CIR(A) which is still pending for hearing before the ATIR.

- 30.12** Further in the year 2017, the tax year 2015 was selected for audit by the tax department and information was requested through notice dated 18 August 2017 under section 177 of the Income Tax Ordinance, 2001 by Deputy Commissioner Inland Revenue (DCIR) requiring the Company to provide various details. After provision of the relevant details, a show cause notice under section 122(9) was issued to the Company. Detailed response of the above show cause notice was furnished dated 26 June 2019. The said proceedings were then concluded by the tax department through the order dated 29 June 2019 issued under section 122(1) of the Ordinance by amending the assessment of the Company through disallowance of various expenses. Being aggrieved with the above order the Company filed an appeal with the CIR(A). The appeal filed before the CIR(A) was decided through appellate order dated 29 December 2021 wherein certain matters were deleted, certain remanded back and one was maintained. Being aggrieved with the above order, The Company has filed an appeal before ATIR on 1 April 2022 against the order of CIR(A) which is still pending for hearing before the ATIR.

During the year 2021, a refund order under section 170(4) of the Ordinance dated 11 June 2020 was received by the Company. Through the said order, Company received refund of income tax amounting to Rs.6.042 million against the refund of Rs.15.450 million claimed in the return of income for the tax year 2015. Since the Company did not receive the full amount as claimed in return for the above tax year 2015, it intends to file a rectification application against the refund order for the instant tax year.

- 30.13** In year 2017, the Company received notices dated 25 January 2017 and 14 December 2017 for monitoring of withholding taxes for tax year 2016, in response to which detailed response was submitted. Later, on 29 June 2018 an order was passed by OIR under Sections 161 and 205 of the Ordinance for recovery of taxes not withheld on discounts allowed by the Company amounting to Rs. 33.390 million and Rs. 10.017 million, respectively. In said order, OIR treated the above discounts as "prizes" and levied tax at the rate of 20% under Section 156 of the Ordinance. The Company under protest deposited Rs. 33.390 million to obtain stay from the recovery of the above tax demand till the decision of the appellate forum of CIR(A). The appeals filed before the CIR(A) were decided through combined appellate order dated 10 July 2019 in the following manner:

- (a) In respect of additional trade discounts given to distributors / customers through credit notes, CIR(A) agreed with the arguments of the OIR and held that the given discounts fall under the scope of section 156 as "prizes". Accordingly, the action of the OIR were confirmed.
- (b) In respect of default surcharge, CIR(A) held that since default in withholding of tax is confirmed therefore the levy of default surcharge to such extent was also confirmed.

The Company filed appeal before ATIR on 20 September 2019 against the order of CIR(A) which is still pending for hearing before the ATIR. Further, consequent to the passing of the above appellate order in favour of the department, a notice dated 12 September 2019 under section 138(1) of the Ordinance was issued requiring the Company to deposit the remaining amount of Rs. 10.017 million as assessed by the OIR in the above order passed under section 161 and 205. Accordingly, a response to the above notice was submitted dated 19 September 2019. Thereafter no further correspondence made in this regard.

During the year 2021, the Company received notices dated 5 October 2020, 19 October 2020, 26 October 2020, 3 December 2020 and 29 December 2020 issued under section 138(1) of the Ordinance, requiring the Company to liquidate the tax demand of Rs.3.556 million in respect of tax year 2016. The Company has submitted to the tax authority that sufficient income tax refunds are available from which the above tax demand can be adjusted. Thereafter, no further correspondence has been made in this regard.

- 30.14** In year 2018, the tax officer issued a show cause notice under section 161(1A) read with section 182 and section 205 of the Ordinance for monitoring of withholding taxes for tax year 2017. The said monitoring was kept in abeyance on Company's request due to multiple proceedings being conducted by the said office. However, during the year 2019, said proceeding was reinitiated through a notice dated 21 June 2019, in response to which detailed response was submitted. Consequently, an order was passed on 26 June 2019 under Section 161 and 205 Ordinance in respect of non-deduction of withholding tax on trade discounts given to distributors / customers by the Company amounting to Rs. 232.272 million. In the said order the OIR treated the above discounts as "prizes offered for promotion of sale by the companies" and levied tax at the rate of 20 percent under section 156 of the Ordinance. The OIR created a demand of Rs. 31.461 million under Section 161 and Rs. 7.447 million under Section 205 of the Ordinance respectively.

The Company under protest deposited Rs. 31.461 million to obtain stay from the recovery of the above tax demand till the decision of CIR(A) which was decided against the company vide order passed under section 161 of Income Tax Ordinance 2001 dated 15 September 2021. Being aggrieved, company filed appeal on 11 November 2021 against the above order to ITAT which is pending for hearing.

- 30.15** The Company received a notice dated October 6, 2020 issued under section 176 of the Income Tax Ordinance, 2001 (the Ordinance) read with Rule 44(4) of the Income Tax Rules, 2002. Through the said notice the OIR has required the Company to furnish certain information / explanation so as to enable it to conduct the proceedings for monitoring of withholding of taxes for the tax year 2018. The Company made complete compliance of the subject notice. The proceeding culminated into order dated June 13, 2024 passed under section 161(1) of the Ordinance raising tax demand of Rs. 11,721,157. Being aggrieved the Company filed an appeal before the Commissioner (Appeals) on July 10, 2024 which is pending to date.

- 30.16** In year 2018, a show cause notice dated 14 December 2018 was issued by tax officer under Section 182 of the Ordinance for levying a penalty for non-furnishing of monthly withholding tax statement by the Company for the month of January 2018 related to tax year 2019. Thereafter, the Company immediately e-filed the statement and submitted an explanation to tax officer and requested for non-imposition of penalty, as e-filing was due to inadvertence and unintentional. However, tax officer passed an order dated 21 December 2018 and a penalty of Rs. 0.755 million was imposed. Subsequently on 07 January 2019, the Company filed an appeal before CIR(A) to contest the above imposed penalty, which is currently pending for hearing. The Company also received notices dated 11 September 2019 and 28 July 2020 under section 138(1) of the Ordinance to liquidate the tax demand of Rs. 0.755 million, in response to which the Company has intimated the OIR that the above tax demand has been adjusted against the tax refunds for tax year 2019 by the tax department and therefore the Company can no longer be required to liquidate the same. Thereafter, no further correspondence has been made in this regard.

The Deputy Commissioner Inland Revenue issued show cause notice under section 161 of Income Tax Ordinance, 2001 dated 07 January 2025. Company filed reply against said notice. However, DCIT later issued Order under section 161 of the Ordinance dated 13 June 2025, raising tax demand of Rs. 102,710,014 on account of non-withholding or short withholding of tax on various payments. The Company has filed an appeal before Commissioner Inland Revenue Appeals which is pending for adjudication.

**30.17** In previous years, the Company received a refund order dated 17 October 2022 under section 170(4) of the Ordinance. Through the said order, the refund of income tax amounting to Rs. 18.659 million was confirmed as against the actual amount of refund of Rs. 31.264 million as claimed in the return of income for the tax year 2021. Furthermore, refund to the extent of Rs. 10.166 million was wrongfully reduced by the OIR by assuming an incorrect amount of minimum tax liability under section 148 of the Ordinance at Rs. 130.637 million instead of the correct amount of Rs. 120.471 million. Being aggrieved with the above order for not allowing the entire refund as claimed in the return of income, the Company filed an appeal before the CIR(A) which has been decided through order dated 6 February 2023. Through the said order CIR(A) remanded back the order passed by OIR with directions to obtain evidences of payments of taxes as claimed in the return of income in order to allow the credit of tax paid / deducted by the Company. Thereafter, no further correspondence has been made by the tax authorities in this regard.

In respect of tax matters disclosed in notes 30.5 to 30.14, the Company based on the views of its tax advisor believes that sufficient grounds are available on the basis of which appeals were preferred and also believes that there are reasonable arguments in support of grounds taken before the respective appellate authorities, accordingly, no provision has been made in these financial statements.

<b>31 CASH AND CASH EQUIVALENTS</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
		<b>(Rupees in '000)</b>	
Cash and cash equivalents comprise of:			
Cash and bank balances	14	1,385,329	1,747,529
		<u>1,385,329</u>	<u>1,747,529</u>
<b>32 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		345,342	401,166
Adjustments for non-cash and other items:			
Depreciation on operating fixed assets	24	3,206	4,064
Depreciation on right-of-use assets	24	15,440	18,311
Allowance / (reversal) for expected credit losses	26	(50,639)	98,032
(Reversal) / provision for obsolete stock-in-trade	23	(82,514)	(142,405)
Provision for staff retirement benefits	7.1.2	1,120	10,290
Interest income on saving accounts	27	(149,108)	(335,824)
Gain on disposal of operating fixed assets	27	-	(10,151)
Finance cost	28	2,242	8,563
Workers' welfare fund	29	11,067	8,187
Unrealised exchange loss / (gain) - net		30	2,755
Working capital changes	32.1	(283,944)	(311,333)
		<u>(187,758)</u>	<u>(248,345)</u>
<b>32.1 Working capital changes</b>			
Increase / (decrease) in current assets:			
Stock-in-trade		116,613	324,539
Trade debts		(158,556)	861
Advances		(799)	2,683
Deposits and short-term prepayments		(45)	297
Other receivables		(2,943)	29,846
		<u>(45,730)</u>	<u>358,226</u>
Increase / (decrease) in current liabilities:			
Trade and other payables		(282,752)	(669,363)
Contract liabilities - advance from customers		55,006	(196)
Provisions		(10,468)	-
		<u>(283,944)</u>	<u>(311,333)</u>

**33 NUMBER OF EMPLOYEES**

	2025	2024
At the end of the year		
Permanent	16	18
Average number of employees:		
Permanent	18	21

**34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND OTHER EXECUTIVES**

The aggregate amounts for the year charged in these financial statements for remuneration, including all benefits, to the Chief Executive, Directors and other executives are as follows:

	Chief Executive		Directors		Other Executives	
	2025	2024	2025	2024	2025	2024
----- (Rupees in '000) -----						
Managerial remuneration	-	3,924	6,361	6,479	24,841	27,030
Retirement benefits	-	719	530	1,271	2,069	4,362
Perquisites:						
- medical expenses	-	190	336	505	2,355	2,717
- housing	-	2,251	2,935	3,178	11,350	12,480
- conveyance	-	195	1,185	1,095	5,632	6,633
- bonus	-	-	612	388	4,364	2,930
- car benefit	-	1,050	-	666	4,282	5,690
- others	-	1	1,039	121	3,113	1,463
Company's contribution						
to provident fund	-	392	-	731	-	2,111
Group insurance	-	142	27	36	190	196
Club subscriptions	-	-	-	-	-	-
Incentive by ultimate parent company (see note 35)	-	2,837	-	-	-	-
	-	11,701	13,025	14,470	58,196	65,612
Number of persons	1	1	2	2	14	13

- 34.1** The Chief Executive Officer (CEO) did not receive any salary or other remuneration from the Company during the current financial year. The CEO is now employed under the payroll of Signify International B.V-DDA Branch , and accordingly no remuneration, benefits, or related costs have been charged to the Company's financial statements for the year.

**35 SHARE BASED COMPENSATION**

Certain eligible employees of the Signify Group (the Group) are entitled to participate in the share based payment plans of the ultimate parent company. The ultimate parent company grants stock awards as a form of share-based payment to the employees. Under these equity settled plans, eligible employees in Pakistan of the Company will be given shares of the ultimate parent company upon meeting the vesting conditions. Total share-based compensation costs for the Company for the year ended 31 December 2025 were Rs.Nil (2024: Rs. 2.837 million), which was related to the Signify Long-term Incentive Plan (LTI Plan). The liabilities in respect of intragroup repayments as of 31 December 2025 aggregated to Rs.21.815 million (2024: Rs. 21.927 million).

**Signify Long-term Incentive Plan**

Under the Signify LTI Plan , which is equity settled, eligible employee is granted both conditional shares and performance shares. Conditional shares have a three-year vesting period and will vest if a grantee is still employed with the Company at the vesting date.

Vesting of performance shares is conditional on the achievement of performance conditions measured over a period of three years. The performance condition measurement is based on four measures, Relative Total Shareholder Return (TSR) (25% of the shares), Free Cash Flow (FCF) (25% of the shares), Sustainability (25% of the shares) and Return on Capital Employed (ROCE) (25% of the shares). In addition, vesting is conditional to the guarantee still being employed with the Company at the vesting date.

### Signify performance shares

The fair value of shares granted with the market performance condition of relative TSR is measured based on Monte Carlo simulation. The closing share price at grant date is adjusted for the present value of expected dividends during the vesting period, as participants are not compensated for the ultimate parent company's dividend payouts. Monte Carlo simulation takes into account market conditions expected to impact relative Total Shareholders' Return performance in relation to selected peers and the following weighted-average assumptions:

<b>Assumptions used in Monte-Carlo simulation for valuation in %</b>	<b>2025</b>
Risk-free interest rate	<b>2.5%</b>
Expected share price volatility	<b>37%</b>

The assumptions were used for these calculations only and do not necessarily represent an indication of the ultimate parent company's management's expectation of future developments for other purposes. Historic volatility was measured over the same timeframe as the simulation period (weighted average 2.6 years).

The amount calculated as an expense for TSR shares is not adjusted for actual performance. FCF, Sustainability and ROCE related measurements are non-market performance conditions. Fair value of shares granted under FCF, Sustainability and ROCE objective conditions equals the closing share price on the grant date, adjusted for the present value of expected dividends during the vesting period. The amount calculated as an expense for shares granted with a non-market performance condition is adjusted for actual performance.

Movements in the performance shares under LTI Plan held by the Company's employee is as follows:

	<b>2025</b>		<b>2024</b>	
	<b>Shares Numbers</b>	<b>Weighted average grant-date fair value EUR- denominated</b>	<b>Shares Numbers</b>	<b>Weighted average grant-date fair value EUR- denominated</b>
Balance as at beginning of the year	20	29.68	72	29.68
Granted during the year	-	-	-	-
Vested during the year	-	-	-	-
Performance adjustment	(20)	(29.68)	(52)	25.06
Balance as at end of the year	-	-	20	29.68

### Signify conditional shares

Fair value of conditional shares is determined by subtracting the present value of expected dividends from the closing share price on the grant date as participants are not compensated for the ultimate parent company's dividend payouts.

Movements in the conditional shares under LTI Plan held by the Company's employee is as follows:

	2025		2024	
	Shares Numbers	Weighted average grant-date fair value EUR- denominated	Shares Numbers	Weighted average grant-date fair value
Balance as at beginning of the year	123	32.97	123	32.97
Granted during the year	-	-	-	-
Vested during the year	(123)	(32.97)	-	-
Balance as at end of the year	-	-	123	32.97

### 36 TRANSACTIONS WITH RELATED PARTIES

**36.1** Related parties comprise of the Parent Company and its affiliates (i.e. related group companies), companies where directors hold common directorship, key management personnel and their close family members and staff retirement benefit funds. All transactions with related parties are entered into agreed terms duly approved by the Board of Directors of the Company including transactions with related parties on account of purchases and general sales agreement charges have been entered into and recorded at amounts agreed with counter parts and transactions with key management personnel were as per the terms of their employment.

The details of transactions with related parties and related balances other than those disclosed elsewhere in the financial statements, are as follows:

Name, relationship, transactions and balances	Note	2025	2024
		(Rupees in '000)	
<b>Transactions during the year:</b>			
<b>Ultimate parent company</b>			
Share based payment transactions	35	-	2,837
<b>Group companies</b>			
Purchases of goods	36.2	-	-
General Services Unit Agreement (GSUA)	36.2	19,519	19,688
<b>Staff retirement benefits fund</b>			
Funds received from employees provident fund		7,046	-
Funds received from employees pension fund		3,786	-
Contribution made to staff retirement benefit - gratuity		17,524	-
Reimbursement received from staff retirement benefit - gratuity		56,136	-
Contribution to employees provident fund		-	2,123
Contribution to employees pension fund		-	2,115
<b>Key management personnel</b>			
Salaries and other short-term benefits		12,159	19,399
Post employment benefits		530	3,113
<b>Balances with related parties at year end:</b>			
<b>Ultimate parent company</b>			
Payable against long-term incentive plans		21,815	21,927
<b>Group companies</b>			
Trade debts	9.1	255,634	55,086
Total creditors	18.1	42,601	91,201
<b>Staff retirement benefits balances</b>			
Payable to provident fund		-	2,645
Payable to pension fund		-	(658)
(Payable to) / receivable from staff retirement benefits - gratuity		(26,140)	9,079

**36.2** The following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place:

Name and basis of relationship	Percentage of shareholding	Registered addresses	Country of incorporation	Nature of transactions	2025 (Rupees in '000)	2024
Group companies: Signify Netherlands B.V.	-	High Tech Campus 48 5656 AE Eindhoven, Netherlands	Netherlands	GSUA (IT charges) *Purchase of goods	<b>19,519</b> -	19,688 -
Signify International B.V.- DDA Branch	-	Choueiri Group FZ Building, 5 Al Falak Street, 3rd floor, Dubai Knowledge Park (Al Sufouh 2),Jumeirah, Dubai,UAE.	UAE	Marketing services revenue	<b>255,634</b>	-
Signify Electronics (Xiamen) Co., Ltd.	-	2000 North YunDing Road, Xiamen, China	China	*Purchase of goods	-	-
Signify Hungary Kft.	-	Szabadsag ut 107. 7090 Tamasi, Hungri	Hungary	*Purchase of goods	-	-
Signify Poland Sp. Z.O.O.	-	Pila, ul. Kossaka 150 O/Ketrzyn ul. Chrobrego 8	Poland	*Purchase of goods	-	-
Signify Luminaires (Shanghai) Co., Ltd.	-	2nd Floor, Building 1805 HUYI Highway, MALU town Jiading District, Shanghai	China	*Purchase of goods	-	-
Signify Luminaires Chengdu Co. Ltd.	-	No.91 Tianyan Road Hi-Tech West District CHENGDU, China	China	*Purchase of goods	-	-
Signify Industry Signify Industry		8 Mintai Road Yizheng	Yizheng	*Purchase of goods	-	-
					<b>275,153</b>	<b>19,688</b>

\* These are net off adjustment of credit notes received.

**36.3** The details of key management personnel are as follows:

Name of the key management personnel	Role / designation
Gregory Lefebvre	Chief Executive Officer & Director
Syed Wajahat Ali	Director, CFO & Company Secretary
Taimoor Arshad	Director

## 37 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Company's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended 31 December 2025. The policies for managing each of these risks are summarised below.

## 37.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

Risk management systems are reviewed regularly by the Board to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial assets and liabilities by category and their respective maturities:

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total	
(Rupees in '000)							
<b>Financial assets (At amortised cost)</b>							
Trade debts	-	-	-	272,308	-	272,308	272,308
Deposits	-	-	-	129	6,037	6,166	6,166
Other receivables	-	-	-	4,665	-	4,665	4,665
Cash and bank balances	-	-	-	1,385,329	-	1,385,329	1,385,329
<b>December 31, 2025</b>	-	-	-	<b>1,662,431</b>	6,037	<b>1,668,468</b>	<b>1,668,468</b>

<b>Financial liabilities (At amortised cost)</b>							
Trade and other payables	-	-	-	319,615	-	319,615	319,615
Unclaimed / unpaid dividend	-	-	-	1,240	-	1,240	1,240
<b>December 31, 2025</b>	-	-	-	<b>320,855</b>	-	<b>320,855</b>	<b>320,855</b>

	Interest bearing			Non-Interest bearing			Total
	Maturity upto one year	Maturity after one year	Total	Maturity upto one year	Maturity after one year	Total	
(Rupees in '000)							
<b>Financial assets (At amortised cost)</b>							
Trade debts	-	-	-	63,113	-	63,113	63,113
Deposits	-	-	-	84	6,244	6,328	6,328
Other receivables	-	-	-	3,588	-	3,588	3,588
Cash and bank balances	-	-	-	1,747,529	-	1,747,529	1,747,529
<b>December 31, 2024</b>	-	-	-	<b>1,814,314</b>	6,694	<b>1,820,558</b>	<b>1,820,558</b>

<b>Financial liabilities (At amortised cost)</b>							
Trade and other payables	-	-	-	597,732	-	597,732	597,732
Unclaimed dividend	-	-	-	1,198	-	1,198	1,198
<b>December 31, 2024</b>	-	-	-	<b>598,930</b>	-	<b>598,930</b>	<b>598,930</b>

The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values.

## 37.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

## 37.2.1 Trade debts, deposits and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each party. The management also continuously monitors the credit exposure towards the parties and makes provisions against those balances considered doubtful. To mitigate the risk, the Company has a system of assigning credit limits to its parties based on an extensive evaluation based on party profile and payment history. Outstanding party receivables are regularly monitored.

The Board of Directors has established a credit policy under which each new customer is analysed individually for credit worthiness before the Company's standard payment, and delivery terms and conditions are offered. The Company's review includes external ratings, when available.

**37.2.2 The Company's maximum exposure to credit risk at the reporting date is as follows:**

	Note	2025 (Rupees in '000)	2024
<b>Financial assets</b>			
Long term deposits		6,037	6,244
<b>Trade debts - net</b>	<b>9</b>	<b>639,570</b>	481,014
<b>Advances</b>	<b>8</b>	-	-
<b>Deposits</b>	<b>11</b>	<b>25,649</b>	25,649
<b>Other receivables</b>	<b>12</b>	<b>7,633</b>	6,554
<b>Bank balances</b>	<b>14</b>	<b>1,385,330</b>	1,730,305
		<u><b>2,064,219</b></u>	<u>2,249,766</u>
<b>Financial assets</b>			
Not past due		1,668,342	1,803,250
Past due		395,877	446,516
		<u><b>2,064,219</b></u>	<u>2,249,766</u>

**37.2.3 The aging of trade debts (on gross basis) at the reporting date was:**

	2025				2024			
	Gross	Expected credit loss rate	Allowance for ECL / Write off	Net	Gross	Expected credit loss rate	Allowance for ECL / Write off	Net
	----- (Rupees in '000) -----							
Not past due	255,634	0.00%	-	255,634	13,535	12.33%	1,669	11,866
Past due								
Not more than 03 months	-	0.00%	-	-	35,632	56.58%	20,161	15,471
More than 03 months but less than 06 months	4,140	50.34%	2,084	2,056	3,292	63.15%	2,079	1,213
More than 06 months but less than 01 year	2,573	68.21%	1,755	818	44,313	75.17%	33,312	11,001
More than 01 year	377,223	96%	13,800	363,423	384,242	94%	360,680	23,562
	<b>383,936</b>		<b>367,262</b>	<b>16,674</b>	<b>467,479</b>		<b>416,232</b>	<b>51,247</b>
	<u><b>639,570</b></u>	<u><b>57.42%</b></u>	<u><b>367,262</b></u>	<u><b>272,308</b></u>	<u><b>481,014</b></u>	<u><b>86.88%</b></u>	<u><b>417,901</b></u>	<u><b>63,113</b></u>

**37.2.4 The Company has no exposure to credit risk by geographic region wise for trade debts as at 31 December 2025, as the Company sells its goods only in Pakistan.**
**37.2.5 The credit quality of the Company's bank balances can be assessed with reference to external credit ratings as follows:**

	Rating Agency		Rating - short/long term		2025	2024
	2025	2024	2025	2024	(Rupees in '000)	
Standard Chartered Bank (Pakistan) Limited	PACRA	PACRA	A1+ / AAA	A1+ / AAA	13,009	43,769
MCB Bank Limited	PACRA	PACRA	A1+ / AAA	A1+ / AAA	426	14,393
Dubai Isalmic Bank	VIS Credit rating Company	VIS Credit rating Company	A1+ / AA	A1+ / AA	1,371,893	1,671,763
Deutsche Bank Limited	Moody's Investors Service	Moody's Investors Service	P-1/ A-1	P-1/ A-1	2	380
					<u><b>1,385,329</b></u>	<u>1,730,305</u>

**37.2.6 Concentration of credit risk**

The sector wise analysis of gross trade debts is as follows:

Distributors	497,947	285,377
Automaker	577	577
Government authorities	86,819	89,686
Modern retail	1,778	1,778
Hospital	1,448	47,117
Chemical	3,840	6,084
Education	426	426
Food	392	392
Construction	23,958	26,977
Petroleum industry	13,297	13,297
Banking	197	316
Hotel industry	937	937
Textile	7,750	7,846
Cement industry	204	204
	<u><b>639,570</b></u>	<u>481,014</u>

The management monitors exposure to credit risk through regular review of credit exposure, assessing credit worthiness of counter parties and prudent estimates of allowance for expected credit losses.

**37.2.7** As at reporting date, there are no financial assets that could otherwise be past due or impaired whose terms have been renegotiated.

### 37.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as and when they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as and when they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressful conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments.

	Carrying amount	Maturity up to one year	Maturity after one year to five year	Maturity after five year
(Rupees in '000)				
<b>31 December 2025</b>				
Trade and other payables	321,815	321,815	-	-
Lease liabilities	26,808	15,950	10,858	-
Unclaimed / unpaid dividend	1,240	1,240	-	-
	<u>349,863</u>	<u>339,005</u>	<u>10,858</u>	<u>-</u>
<b>31 December 2024</b>				
Trade and other payables	610,400	610,400	-	-
Lease liabilities	14,939	14,939	-	-
Unpaid dividend	1,198	1,198	-	-
	<u>626,537</u>	<u>626,537</u>	<u>-</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

### 37.4 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market price. Market risk comprise of three types of risks: currency risk, interest rate risk and equity price risk.

#### 37.4.1 Currency risk

Currency risk arises mainly where receivables and payables exist due to transactions based on currencies other than Pakistan Rupees. The Company is exposed to currency risk on purchases and GSUA liability that are in currencies other than Pakistan Rupees. The Company manages currency risk by making timely payments. The Company's significant exposure to currency risk in Pakistan Rupees at the year end are as follows:

	2025		2024	
	EURO	USD	EURO	USD
(in '000)				
<b>Financial assets</b>				
Trade debts	-	909	187	-
<b>Financial liabilities</b>				
Trade and other payables	-	10	12	172

	Average rate for the year		Spot rate at year end	
	2025	2024	2025	2024
Exchange rates applied during the year and at year end are as follows:				
EURO 1	319.44	301.42	330.08	290.08
USD 1	281.90	278.54	281.25	278.55

#### Sensitivity analysis

Every 5% increase or decrease in exchange rate, with all other variables held constant, will decrease or increase profit before tax for the year by Rs. 12.642 million (2024: Rs. 0.143 million).

### 37.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk, as the Company does not have any outstanding short-term running finances as of statement of financial position date.

### 37.4.3 Equity price risk

Equity price risk is the risk of loss arising from uncertainties about future values of investments securities movements in prices of equity investments. The Company is not exposed to any equity price risk, as the Company does not have any investment in equity securities.

## 38 FAIR VALUE

Fair value is the amount for which an asset could be exchanged, or a liability can be settled, between knowledgeable willing parties in an arm's length transaction. The carrying amounts of all the financial instruments reflected in these financial statements approximate to their fair value as at reporting date.

Fair value hierarchy

Financial Instruments carried at fair value are categorized as follows:

Level 1: Quoted market price.

Level 2: Valuation techniques (market observable)

Level 3: Valuation techniques (non- market observables)

As of statement of financial position date, the Company does not have any financial assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

## 39 CAPITAL MANAGEMENT

The Company defines the capital that its manages as the Company's total equity. The Company's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company has support from its parent concern to assist it in capturing market share and maintaining its sustainability. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the year ended 31 December 2025.

The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total equity plus net debt. Equity comprises of share capital and reserves. As at the reporting date, the Company does not have any gearing to report.

## 40 DATE OF AUTHORISATION

These financial statements were approved and authorised by the Board of Directors of the Company in their meeting held on March 31, 2026.

## 41 NON ADJUSTING EVENTS AFTER THE REPORTING DATE

Subsequent to the year end, the Board of Directors of the Company in their meeting held on March 31, 2026 have proposed a final cash dividend of Rs. 1.899964 (2024: Rs. 1.62) per ordinary share.

The approval of the members for the proposed final cash dividend will be obtained at the Annual General Meeting of the Company to be held on April 30, 2026. These financial statements for the year ended 31 December 2025 do not include the effect of the final cash dividend which will be accounted for in the financial statements for the year ending 31 December 2026.

**42 GENERAL**

**42.1** Figures have been rounded off to the nearest thousand rupees.

**42.2** Certain prior period's figures have been rearranged for better presentation, wherever necessary. However, there are no material reclassification to report.

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**Director & CEO**

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**Director**

## NOTICE OF 72<sup>nd</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the seventy second Annual General Meeting of Signify Pakistan Limited will be held on Thursday, April 30, 2026 at 04:00 p.m., at its registered office at The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21, Gulberg Town, Karachi and can also be attended through below website link to transact the following business:

<http://www.signify.com/en-pk/contact>: The members and their proxies who intend to attend the AGM through MS teams must register their particulars (name, folio number, CNIC/passport copy) by sending an email at [s.wajahat.ali@signify.com](mailto:s.wajahat.ali@signify.com).

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts of the company for the year ended December 31, 2025, together with the Directors' and Auditor's reports thereon.
2. To appoint the Auditor of the Company and to fix their remuneration.
3. To consider, approve and declare and authorize the payment of dividend for the year ended December 31, 2025. The Directors have recommended the payment of cash dividend @Rs.1,899,964.. per ordinary share for the year ended December 31, 2025.

### By the order of the Board

**Syed Wajahat Ali**  
Company Secretary

Karachi, April 7, 2026

### NOTES: -

- (1) Share Transfer Books of the Company will remain closed from April 23rd to April 29th, 2025 (both days inclusive).
- (2) A Member of the Company entitled to attend, and vote may appoint another Member as his/her proxy to attend and vote instead of him/her at the meeting. Proxy Forms in order to be effective must be deposited at the Company's Registered Office not less than 48 hours before the time of the Meeting.
- (3) Reference is made to the SECP notification SRO 831(1) of 2012 dated July 05, 2012 that the individual members, who have not submitted copies of their valid CNIC to the Company are requested to send their CNIC copy with folio number mentioned thereon at the earliest the Company's office registered address at The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21., Gulberg Town, Karachi. Corporate entities are also requested to provide their NTN (copy) with Folio number mentioned thereon to the Company's registered office at as mentioned above. In case on non-receipt of valid CNICs/NTN, the Company will be constrained to withhold dispatch of dividend warrants/on line transfer to such shareholders.
- (4) Payment of Cash Dividend Electronically (Optional): The company wishes to inform its shareholders that under that law they are also entitled to receive their cash dividend directly in their bank account instead of receiving it through dividend warrants. Accordingly, shareholders wishing to exercise this option may send a signed dividend mandate document with their complete banking details, full name, folio number, mailing address and copy of CNIC to the Company's office at The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21., Gulberg Town, Karachi.
- (5) As regard deduction of withholding tax on the amount of dividend, as per tax laws, currently below rates apply: a). For filers of Income tax return 15% or as applicable at the time of payment; For non-filers of Income tax return 30% or as applicable at the time of payment. To enable the Company to make tax deduction on the amount of dividend @15% instead of 30%, or as applicable at the time of payment, all the shareholders whose names are not entered into the Active Tax-payer List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @30% instead of 15%, or as applicable at the time of payment.
- (6) Members are requested to promptly communicate any change in their mailing address or bank mandate to the registered office of the company at The Hive at Lucky One Mall, Lower Ground 46, Main Rashid Minhas Road, Federal B Area, Block 21, Gulberg Town, Karachi.

## 72<sup>nd</sup> ANNUAL GENERAL MEETING

### Form of Proxy

I / We \_\_\_\_\_  
of \_\_\_\_\_  
being a member of Signify Pakistan Limited (Formerly Philips Pakistan Limited) hereby appoint  
Mr./Ms \_\_\_\_\_ of \_\_\_\_\_  
as my proxy to attend and vote for me and on my behalf at the Annual General Meeting of the Company  
to be held on April 30, 2026 and/or any adjournment thereof.

As witness my / our hand(s) this \_\_\_\_\_ day of \_\_\_\_\_ 2026.

Signed by: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Share holder No.

**Note:**

- 1) The Member is requested to write down his / her Name and Address.
- 2) For the appointment of the above Proxy to be valid this instrument of proxy (and if applicable the power of attorney or other authority under which it is signed or a notarially certified copy thereof) must be received by the Company at least 48 hours before the time fixed for the Meeting.
- 3) Any alteration made in this instrument of proxy should be initialed by the person who signs it.
- 4) In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority will be determined by the order in which the names stand in the Register of Members.
- 5) A Company may execute this instrument of Proxy either under its seal or under the hand of an officer or attorney duly authorized by it.
- 6) The person to whom this Proxy is given need not be a Member of the Company.

## 72<sup>nd</sup> واں سالانہ جنرل اجلاس

### مختار نامہ

میں / ہم سگنی فائی پاکستان لمیٹڈ (سابقہ فلیپس پاکستان لمیٹڈ) ایک رکن کی حیثیت سے محترم / محترمہ -----  
 کو اپنا پراکسی مقرر کرتا ہوں / کرتی ہوں اور انہیں اس بات کی اجازت دیتا ہوں / دیتی ہوں کہ وہ 30 اپریل  
 2026 کو کمپنی کے ہونے والے سالانہ اجلاس عام میری / ہماری جانب سے ووٹ ڈال سکتے ہیں۔

یہ اجازت نامہ میرے / ہمارے ہاتھ کے دستخط کے ساتھ مورخہ ----- 2026 کو جاری کیا گیا۔

شیر ہولڈر نمبر

دستخط

نام

پتہ

نوٹ:

1- رکن سے گزارش ہے کہ اپنا نام اور پتہ درج کریں۔

2- مذکورہ بالا پراکسی کی تقرری کو موثر بنانے کے لیے یہ وکالت نامہ (اور اگر قابل اطلاق ہو تو وہ پاور آف اٹارنی یا دیگر اختیار نامہ جس کے تحت یہ دستخط کیا گیا ہو یا اور نوٹری سے تصدیق شدہ نقل) کمپنی کو اجلاس کے مقررہ وقت سے کم از کم 48 گھنٹے قبل موصول ہو جانا چاہیے۔

3- اس وکالت نامے میں کی جانے والی کسی بھی ترمیم پر اس پر دستخط کرنے والے فرد کے دستخط ہونا ضروری ہیں۔

4- اگر حصص دار مشترکہ ہیں تو ووٹ صرف سینئر حصص دار کا شمار کیا جائے گا جو ووٹ ڈالے گا، چاہے وہ ذاتی طور پر حاضر ہو یا بذریعہ وکیل۔ سیناریائی کا تعین رکنیت کے رجسٹر میں ناموں کی ترتیب کے مطابق کیا جائے گا۔

5- کوئی بھی کمپنی اس وکالت نامے پر یا تو اپنی مہر ثبت کر کے یا کسی ایسے افسر یا وکیل کے دستخط کے ذریعے عمل درآمد کر سکتی ہے جو اس کی جانب سے باقاعدہ طور پر مجاز ہو۔

6- جس شخص کو پراکسی فارم دیا گیا ہو اس کے لیے کمپنی کا رکن ہونا ضروری نہیں ہے۔

سگنی فائی پاکستان لمیٹڈ / سالانہ رپورٹ 2025

## ڈائریکٹرز رپورٹ

سگنی فائی پاکستان لمیٹڈ کمپنی کے ڈائریکٹرز 31 دسمبر 2025 کو ختم ہونے والے مالی سال کی جائزہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

## معاشی جائزہ

پاکستان کی معیشت نے 2025 میں بتدریج استحکام کا مظاہرہ کیا۔ مجموعی قومی پیداوار (GDP) تقریباً 410 ارب ڈالر تک پہنچ گئی، جبکہ شرح نمو تقریباً 2.7 فیصد سے 3.0 فیصد کے درمیان رہی، جو 2024 میں 2.5 فیصد تھی۔ مہنگائی میں نمایاں کمی آئی اور یہ تقریباً 4.5 فیصد سے 5.6 فیصد تک محدود رہی، جو پچھلے سال دوہرے ہندسوں میں تھی۔ مالی خسارہ جی ڈی پی کے تقریباً 2.6 فیصد کے قریب رہا، جبکہ جاری کھاتے میں تقریباً 1.9 ارب ڈالر کا سرپلس حاصل ہوا۔ فی کس آمدنی بڑھ کر تقریباً 1700 سے 1800 ڈالر تک پہنچ گئی، جو معاشی سرگرمیوں میں محدود بحالی کو ظاہر کرتی ہے۔ مجموعی طور پر معیشت نے ساختی اور بیرونی چیلنجز کے باوجود چلک کا مظاہرہ کیا اور بڑے معاشی اشاریوں میں بہتری دیکھنے میں آئی۔

## صنعتی جائزہ

پاکستان کی لائٹنگ انڈسٹری نے 2025 میں بڑے اعتدال کے ساتھ ترقی کی جانب پیش رفت کی، جس کی بنیادی وجہ روایتی روشنی کے نظام سے ایل ای ڈی ٹیکنالوجی کی جانب تیز منتقلی اور توانائی کی بچت کرنے والے حل کی بڑھتی ہوئی طلب رہی۔ توانائی کے تحفظ کے لیے حکومتی اقدامات، تیز رفتار شہری آبادی میں اضافہ اور انفراسٹرکچر کی ترقی نے رہائشی، تجارتی اور صنعتی شعبوں میں مارکیٹ کی توسیع کو فروغ دیا۔ تاہم، اس صنعت کو کچھ چیلنجز کا بھی سامنا رہا، جن میں درآمدات میں کمی، مصنوعات کے معیار میں عدم تسلسل اور صارفین کی قیمتوں کے حوالے سے حساسیت شامل ہیں۔ اس کے ساتھ ساتھ اسمارٹ لائٹنگ اور سٹیشی توانائی سے منسلک نظاموں کا بڑھتا ہوا استعمال پاکستان میں توانائی کے وسیع تر رجحانات کے ساتھ ہم آہنگی کو ظاہر کرتا ہے۔ مجموعی طور پر، قلیل مدتی معاشی اور تجارتی رکاوٹوں کے باوجود یہ شعبہ مسابقتی رہا اور اس کے طویل مدتی امکانات مثبت دکھائی دیتے ہیں۔

## کاروباری ماڈل میں تبدیلی:

سال 2025 میں، کاروباری حکمت عملی میں تبدیلیوں کے پیش نظر، کمپنی نے اپنا برنس ماڈل تبدیل کیا، جس کے تحت اس کے ڈسٹری بیوٹرز اب دبئی میں قائم متعلقہ فریق سگنی فائی بی وی- ڈی ڈی اے برانچ سے براہ راست ایشیا درآمد کر رہے ہیں، جو سگنی فائی پاکستان لمیٹڈ سے منسلک ہے۔ اسی تناظر میں، کمپنی نے سال 2024 کے دوران اپنے واحد سپلائر سے مقامی طور پر اسمبل شدہ مصنوعات کی خریداری پہلے ہی بند کر دی تھی اور اسی سال ٹول مینوفیکچرنگ بھی ختم کر دی گئی تھی۔ مزید برآں، سال 2025 کے دوران کمپنی نے اپنا تھرڈ پارٹی گودام 31 مارچ 2025 کو بند کر دیا۔ یکم جنوری 2025 سے سگنی فائی پاکستان لمیٹڈ کا مقامی عملہ سروس لیول ایگریمنٹ کے تحت سگنی فائی انٹرنیشنل بی وی- ڈی ڈی اے برانچ کو مارکیٹنگ سروسز فراہم کر رہا ہے۔

## شیر کپیتل میں کمی

سال کے اختتام کے بعد، کمپنی نے 27 جنوری 2026 کو سندھ ہائی کورٹ، کراچی میں ایک درخواست دائر کی، جس میں اپنے شیر کپیتل کو 1,737.611 ملین روپے سے کم کر کے 10 ملین روپے کرنے کی منظوری طلب کی گئی ہے۔ کمپنی کے شیر کپیتل میں اس کمی کا مقصد اس کے سرمایہ ڈھانچے کو اس کی موجودہ عملیاتی اور مالی ضروریات کے مطابق بنانا ہے۔ یہ تبدیلی کمپنی کے سرمایہ کی بنیاد کو بہتر بنانے کے لیے جاری ہے تاکہ وہ اس کی کاروباری ضروریات کی درست عکاسی کر سکے۔ اس عمل کے نتیجے میں اضافی نقد

رقم ان شیئر ہولڈرز کو واپس کی جائے گی جن کے حصص اس کمی کے عمل کے تحت منسوخ کیے جا رہے ہیں۔ یہ درخواست اس وقت سندھ ہائی کورٹ کراچی میں زیر سماعت ہے۔

## مالی کارکردگی

درج ذیل شیڈول میں سال 2025 کے لیے ہماری مالی کارکردگی کا تقابلی خلاصہ پیش کیا گیا ہے:

### اہم مالی نکات:

تفصیلات	2025	2024	اضافہ کمی (فیصد)
فروخت (پاکستانی ملین روپے میں)	267	1,064	(75 فیصد)
مجموعی منافع (پاکستانی ملین روپے میں)	243	377	(36 فیصد)
فروخت کے مقابلے میں مجموعی منافع	91 فیصد	35 فیصد	56 فیصد
EBIT (پاکستانی ملین روپے میں)	348	410	(15 فیصد)
قبل از ٹیکس منافع (پاکستانی ملین روپے میں)	345	401	(14 فیصد)
بعد از ٹیکس منافع (پاکستانی ملین روپے میں)	330	281	17 فیصد

زیر جائزہ سال کے دوران کمپنی کی ٹاپ لائن میں 75 فیصد کمی واقع ہوئی اور کل مالیت 267 ملین پاکستانی روپے رہی، جبکہ گزشتہ سال اسی مدت میں فروخت 1,064 ملین پاکستانی روپے تھی۔ یہ بنیادی طور پر بزنس ماڈل میں تبدیلی کی وجہ سے ہوا جس کے تحت کمپنی نے مارکیٹنگ سروسز کا ماڈل اختیار کیا۔ اسی وجہ سے سال کی پہلی سہ ماہی میں صرف محدود مقامی فروخت ہوئی۔ نئے بزنس ماڈل کے تحت کمپنی نے سال کے دوران دیئی میں قائم سگنی فائی انٹرنیشنل کی متعلقہ پارٹی بی وی۔ ڈی ڈی اے برانچ کو 222 ملین پاکستانی روپے کی مارکیٹنگ سروسز فراہم کیں جو سگنی فائی پاکستان لمیٹڈ سے منسلک ہیں۔

ٹاپ لائن میں 75 فیصد کمی کے باوجود سال کے دوران مجموعی منافع 91 فیصد رہا۔ اس کی بڑی وجہ بزنس ماڈل میں ساختی تبدیلیاں تھیں، جن کے نتیجے میں فروخت کی لاگت میں نمایاں کمی آئی۔ کیونکہ اس میں ابتدائی اسٹاک کے استعمال، متروک اور وارنٹی پروویژنز کی واپسی شامل تھی، مزید یہ کہ کمپنی کی آمدنی میں بھی نمایاں اضافہ ہوا جس میں دیئی میں قائم سگنی فائی انٹرنیشنل بی وی۔ ڈی ڈی اے برانچ کو فراہم کی جانے والی مارکیٹنگ سروسز سے 222 ملین روپے کا اہم حصہ شامل ہے۔ جو سگنی فائی پاکستان لمیٹڈ سے منسلک ہے

جہاں تک EBIT (آمدنی قبل از سود و ٹیکس) کا تعلق ہے، یہ 348 ملین پاکستانی روپے رہا۔ اس کی اہم وجوہات میں 51 ملین روپے کے متوقع کریڈٹ نقصانات کی واپسی، سیونگ اکاؤنٹ پر 149 ملین روپے کا سودی منافع، 91 ملین روپے کی واجبات کی واپسی (جن کی ادائیگی اب ضروری نہیں تھی) شامل ہیں، جس میں 24 ملین روپے کے انٹرنیشنل اکاؤنٹس کی واپسی بھی شامل ہے، نیز 19 ملین روپے کے ایکسچینج لاس کی واپسی بھی شامل ہے۔

### ڈیویڈنڈ:

سال کے اختتام پر بہتر اور خالص منافع کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے عام شیئر پر فی شیئر 1.899964 روپے نقد ڈیویڈنڈ دینے کی سفارش کی ہے۔

## ہولڈنگ کمپنی:

ہولڈنگ کمپنی کا نام گنی فائی ہولڈنگ بی وی ہے اور اس کا مرکزی آفس نیدرلینڈ میں ہے۔

## قومی خزانے میں حصہ:

ملک کا ذمہ دار ٹیکس دہندہ ہونے کے ناطے کمپنی نے مالی سال کے دوران براہ راست اور بالواسطہ ٹیکسوں کی مد میں 102 ملین پاکستانی روپے (2024 میں 458 ملین روپے) قومی خزانے/ فیڈرل بورڈ آف ریونیو ٹیکس کی مد میں ادا کیے۔

## بورڈ آف ڈائریکٹرز:

31 دسمبر 2025 تک کمپنی کے ڈائریکٹرز کے نام درج ذیل ہیں:

جناب گرگری لیف بیویر

سید وجاہت علی

جناب تیمور ارشد

جناب گرگری لیف بیویر کمپنی کے چیف ایگزیکٹو آفیسر (سی ای او) ہیں۔

## شیئر ہولڈنگ کا نمونہ

### حصہ اول

1.1 کمپنی کا نام: گنی فائی پاکستان لمیٹڈ

### حصہ دوم

2.1 31 دسمبر 2025 کو حصص یافتگان کے پاس موجود حصص کا نمونہ:

موجودہ حصص کی کل تعداد	شیئر ہولڈنگز	2.2 حصص یافتگان کی تعداد
6,081	شیئر ہولڈنگز 1 سے 100 شیئرز	248
21,093	شیئر ہولڈنگز 101 سے 500 شیئرز	103
8,936	شیئر ہولڈنگز 501 سے 1000 شیئرز	14
19,947	شیئر ہولڈنگز 1001 سے 5000 شیئرز	11
173,705,085	شیئر ہولڈنگز 5001 سے 173,705,085 شیئرز	1

حصص یافتگان کے مناسب اضافے کے سلیب کے ساتھ

	173,761,142	377 ٹوٹل
شرح	موجود شیئر	حصص یافتگان کی کیٹیگریز
-----	-----	-----
	173,705,085	2.3 ڈائریکٹر، چیف ایگزیکٹو آفیسر اور ان کی اہلیہ اور نابالغ بچے
99.9677 فیصد		2.3.1 ملحقہ کمپنیاں، انڈر ٹیکنگ اور متعلقہ پارٹیاں
-----	-----	-----
		2.3.2 این آئی ٹی اور آئی سی پی
-----	-----	-----
		2.3.3 بینک ترقیاتی مالیاتی ادارے، نان بینکنگ مالیاتی ادارے
-----	-----	-----
		2.3.4 انشورنس کمپنیاں
-----	-----	-----
		2.3.5 مودار بہ اور میچوئل فنڈز
-----	-----	-----
		2.3.6 شیئر ہولڈرز ہولڈنگز 10 فی صد
-----	-----	-----
		2.3.7 عام افراد
0.0315 فی صد	54,723	(ا) مقامی
		(ب) غیر ملکی
-----	-----	-----
		2.3.8 دیگر (جس کی وضاحت کی گئی ہے)۔ جوائنٹ کمپنیز
0.0008 فی صد	1334	

عمل درآمد کا بیان

ڈائریکٹر صاحبان درج ذیل امور کی تکمیل اور کارپوریٹ اور مالیاتی رپرٹنگ فریم ورک پر عمل کی تصدیق کرتے ہیں:

- (i) کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے کمپنی کی مالی صورت حال، اس کے آپریشن کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو منصفانہ طور پر پیش کرتے ہیں۔
- (ii) کمپنی کی اکاؤنٹس بک کو موثر طریقے سے برقرار رکھا گیا ہے۔
- (iii) مالیاتی گوشوارے کی تیاری میں مسلسل مناسب اکاؤنٹنگ پالیسیوں کو لاگو کیا گیا ہے۔
- (iv) مالیاتی گوشوارے تیار کرتے وقت پاکستان میں نافذ العمل بین الاقوامی اکاؤنٹنگ کے معیار کی تقلید کی گئی ہے اور کسی بھی اندراج کے نہ ہونے کا انکشاف بھی کیا گیا ہے۔
- (v) اندرونی کنٹرول کا طریقہ کار درست سمت میں گامزن ہے۔ اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی بھی کی جا رہی ہے۔
- (vi) کمپنی کے کام جاری رکھنے پر کسی قسم کا شک نہیں ہے۔
- (vii) کام کے بہترین طریقہ کار کو رائج کرنے میں کسی قسم کا میٹریل ڈیپارچر نہیں ہوا۔

آڈیٹرز:

آڈیٹرز، ای وائی فور ڈی ہوڈز کمپنی کے سالانہ اجلاس عام کے بعد ریٹائر ہو جائیں گے۔ اے ایف فرگوسن اینڈ کمپنی نے اہلیت کی بنیاد پر خود کو سال 2026 کے لیے تقرری کے لیے پیش کیا ہے۔ بورڈ نے ان کی آئندہ سال تقرری کے لیے سفارش کی ہے، تاہم یہ منظوری کمپنی کے آئندہ ہونے والے سالانہ اجلاس عام میں اراکین کی منظوری سے مشروط ہے۔

## رجسٹرڈ آفس

کمپنی کے رجسٹرڈ آفس کا پتہ یہ ہے۔

The Hive لکی ون مال، 46، لوئر گراؤنڈ، مین راشد منہاس روڈ، فیڈرل بی ایریا، بلاک-21، گلبرگ ٹاؤن، کراچی۔

## اعتراف

بورڈ سگنی فائی پاکستان سے منسلک تمام افراد کا تہ دل سے شکریہ ادا کرتا ہے جنہوں نے کئی سالوں سے اپنی بہترین صلاحیتوں سے اس کمپنی کو پروان چڑھایا۔ ہمارے لوگوں کو کمپنی کے فلاح و بہبود کی ذمہ داری دی گئی ہے اور بلاشبہ انہوں نے اپنی صلاحیتوں سے آپریٹنگ کے ماحول اور ان کی چلک کی وجہ سے درپیش چیلنجوں کا بڑی مہارت سے مقابلہ کیا ہے۔ اہم ان کی لگن اور محبت کو انتہائی قدر کی نگاہ سے دیکھتے ہیں اور ان کے بے حد ممنون ہیں۔ ہم اپنے وفادار صارفین، سپلائرز، چینل پارٹنرز، بینکرز اور دیگر تمام شراکت داروں کے تعاون پر کا ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید وجاہت علی  
ڈائریکٹر اینڈ سی ایف او

گریگری لیف بیور  
ڈائریکٹر اینڈ سی ای او

31 مارچ 2026



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